

Tri-County Technical College

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2009

**Included in the Higher Education Funds of
The State of South Carolina**

**Prepared by The Division of
Business Affairs**



This page intentionally left blank.

COMPREHENSIVE ANNUAL FINANCIAL REPORT
TRI-COUNTY TECHNICAL COLLEGE
For the Fiscal Year ended June 30, 2009

Table of Contents	i
Introductory Section	
Commission Members-Administrative Staff-Service Area	ii
Summary Organizational Chart	iii
Letter of Transmittal	iv
Certificate of Achievement for Excellence in Financial Reporting	xv
Financial Section	
Independent Auditors' Report	1
Management's Discussion and Analysis (unaudited)	3
Basic Financial Statements:	
Statement of Net Assets	9
Statement of Revenues, Expenses, and Changes in Net Assets	10
Statement of Cash Flows	11
Component Unit-Consolidated Statements of Financial Position	13
Component Unit-Consolidated Statements of Activities	14
Notes to the Basic Financial Statements	15
Statistical Section (Not covered by the Independent Auditors' Report)	
Statistical Section Content Explanation	44
Financial Trends:	
Schedule of Net Assets and Changes in Net Assets	45
Schedule of Expenses by Function	46
Schedule of Expenses by Use	47
Revenue Capacity:	
Schedule of Revenues by Source	48
Annual Tuition and Fees-South Carolina Public Two Year Institutions	50
Admissions Statistics	51
Opening Fall Enrollment Demographics and Degree Statistics	52
Graph: Selected Opening Fall Enrollment Demographics-Last Ten Fiscal Years	53
Continuing Education Division Statistics	54
Debt Capacity:	
Schedule of Ratios of Outstanding Debt	55
Schedule of Bond Coverage	56
Demographic and Economic Information:	
Economic Indicators for the College Service Area	57
Principal Employers by County	58
Operating Information:	
Faculty and Staff Statistics	59
Space Utilization	60
Other (non-required) Information:	
Schedule of Current Unrestricted Expenses	61
Accreditation Information	62
Policy on Discrimination	63
<hr/>	
Single Audit Section:	
Separate Table of Contents	
Other Information:	
Independent Auditors' Report on State Lottery Tuition Assistance	

This page intentionally left blank.

COMMISSION MEMBERS – ADMINISTRATIVE STAFF – SERVICE AREA
TRI-COUNTY TECHNICAL COLLEGE
 For the Year Ended June 30, 2009

<i>AREA COMMISSION MEMBERS</i>	<i>COUNTY</i>	<i>TERM*</i>
Ms. Helen Rosemond–Saunders, Chair	Oconee	04/97-
Mr. William H. Hudson	Oconee	04/01-
Vacant	Oconee	
Mr. Ben R. Childress, Jr.	Pickens	04/04-04/10
Dr. Valerie Ramsey	Pickens	04/05-04/11
Vacant	Pickens	
Mr. Leon Harris, III	Anderson	05/08-05/11
Ms. Rosemary H. Lindley	Anderson	04/04-04/10
Mr. Pruitt Martin	Anderson	04/06-04/09

*Ending term is to be determined by legislature.

KEY ADMINISTRATIVE STAFF

Dr. Ronnie Booth	President
Dr. Phil Buckhiester	Vice President for Academic Affairs
Vacant	Vice President for Business Affairs
Mr. Dan Holland	Vice President for Student Affairs
Mr. John Lummus	Vice President for Economic and Institutional Advancement
Ms. Susan Allen	Associate Vice President for Academic Affairs
Ms. Rebecca Eidson	Director of Public Relations and Communications
Ms. Sharon Colcolough	Director of Personnel
Ms. Faye Allen	Director of Fiscal Affairs

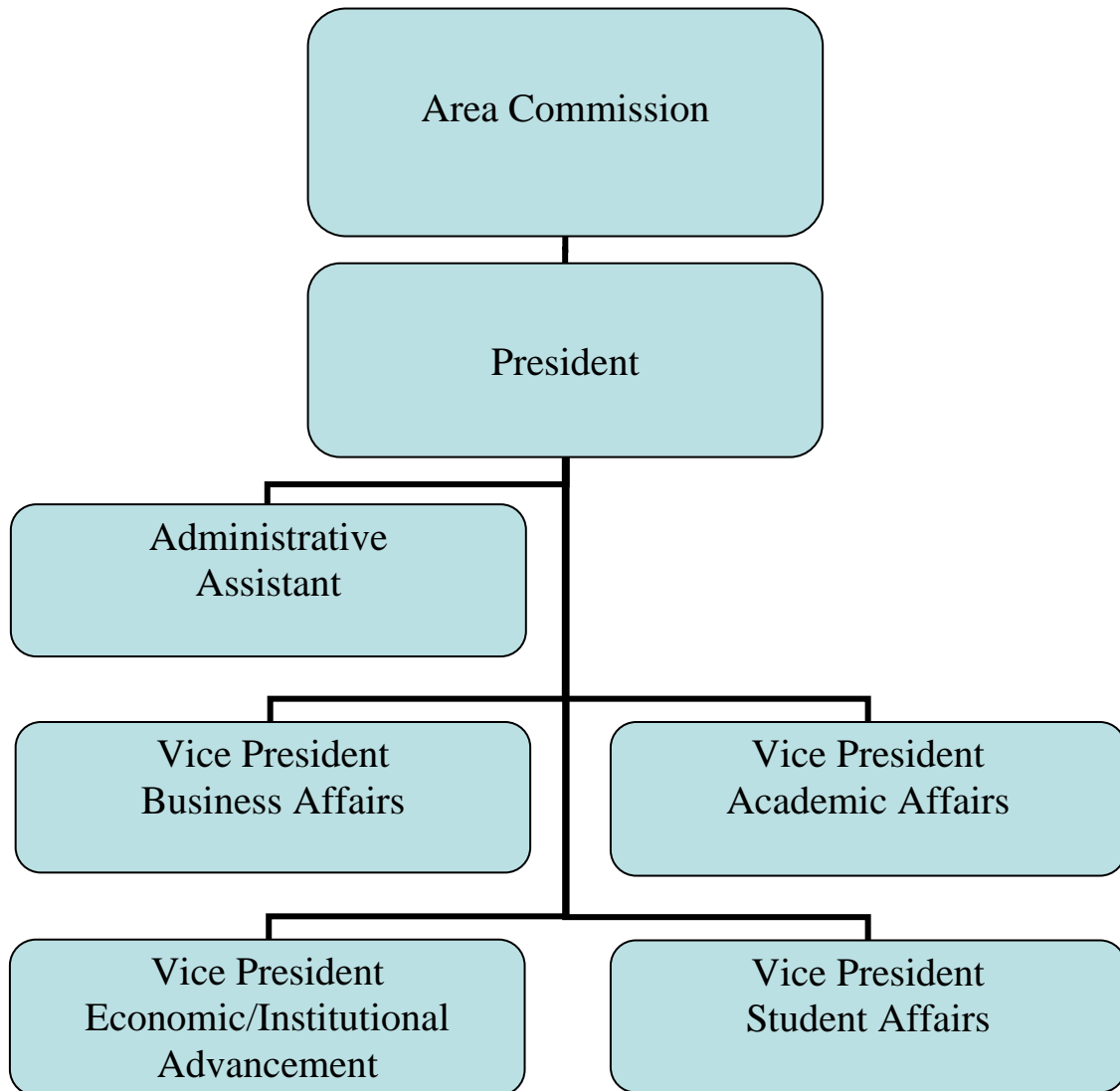
AREA SERVED BY THE COMMISSION

Anderson County
 Oconee County
 Pickens County

COUNTIES PROVIDING FINANCIAL SUPPORT

Anderson County
 Oconee County
 Pickens County

TRI-COUNTY TECHNICAL COLLEGE
SUMMARY ORGANIZATIONAL CHART





September 30, 2009

To the Members of the Area Commission for Tri-County Technical College:

It is our pleasure to present the Comprehensive Annual Financial Report of Tri-County Technical College for the year ended June 30, 2009. The report of our independent public accountants, Cline, Brandt, Kochenower Co. P.A., expresses an unqualified opinion on the basic financial statements. The Office of the Vice President for Business Affairs assumes responsibility the accuracy, completeness, and fairness of the data presented, including all disclosures. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College at the end of that fiscal year.

This Comprehensive Annual Financial Report is presented in four sections:

The **Introductory Section** includes: the transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2008, a listing of the members of the College's governing board and principal officials, and an organizational chart that outlines the structure of the College.

The **Financial Section** includes the independent auditors' report, the Management's Discussion and Analysis (MD&A) section, the basic financial statements, notes to the financial statements, and additional financial schedules. The MD&A provides a narrative overview and analysis of financial activities of the College for fiscal year ended June 30, 2009. Basic financial statements are prepared in accordance with generally accepted accounting principles for public colleges and universities, as defined by GASB, and the National Association of College and University Business Officers in *College and University Business Administration*. These statements allow for reasonable comparisons of the College's financial position as well as revenues, expenses, transfers and other changes in net assets with peer institutions.

The **Statistical Section** provides financial, economic, and demographic information relating to the College on a multi-year basis. This information is intended to present to readers a broad overview of trends in the financial affairs of the College.

The **Single Audit Section** includes the Schedule of Expenditures of Federal Awards, the independent auditors' report on compliance and internal control over financial reporting performed in accordance with *Government Auditing Standards* and the independent auditors' report on compliance with requirements applicable to each major program in accordance with *OMB Circular A-133*.

Entity

Tri-County Technical College is one of sixteen technical colleges in South Carolina governed by the State Board for Technical and Comprehensive Education (SBTCE). Tri-County is a comprehensive, public two-year college serving the citizens of Anderson, Oconee and Pickens counties. The College is considered as a part of the State of South Carolina reporting entity and is included in the comprehensive annual financial report of the State. The College is not legally separate, and therefore not considered a component unit of the State of South Carolina.

The College complies with Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This Statement amends GASB

Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College.

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Tri-County Technical College, as the primary government, and the accounts of Tri-County Technical College Foundation (the “Foundation”), its component unit. The College is part of the primary government of the State of South Carolina. Based on the nature and significance of the Foundation’s relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

History

Forty-seven years ago Tri-County Technical College became the first multi-county technical institute in South Carolina.

In early 1960, former Governor Ernest F. Hollings initiated a State Educational System, motivated by the idea that if South Carolina could offer a well-trained work force, then the State would attract more business and industry. This training was to be provided by a system of thirteen (currently sixteen) technical colleges. In 1961, the South Carolina General Assembly passed Act 323, providing for the appointment of an advisory committee to study the feasibility of establishing a network of centers for technical training in strategic locations throughout the State. The purpose of these centers was “to prepare individuals for entry into or progressing in employment in industrial and technical pursuits or designed to improve conditions which result in improved citizenship.” These centers would be located at points readily accessible to a large majority of the State’s population.

The Anderson-Oconee-Pickens Technical Education and Training Commission was created April 7, 1962, when Governor Hollings approved the enabling legislation, Act 905. The Commission was created to control and manage the Anderson-Oconee-Pickens Technical Education and Training District. The Act further provided that the local operating costs would be borne by the College’s service area as follows: Anderson County, fifty percent; Oconee County, twenty-five percent; and Pickens County, twenty-five percent.

In the fall of 1963, Tri-County Technical College opened as a Technical Education Center. The 42,000 square foot classroom/laboratory/administration building was located on a twenty-three acre tract of land, donated by Clemson University, four miles from Clemson on Highway 76, near Pendleton, SC. Clemson University has donated a total of fifty-seven acres to the College.

On April 10, 1974, the S.C. Board for Technical and Comprehensive Education approved the request of the Anderson-Oconee-Pickens Technical Education and Training Commission (The Area Commission) to change the name of the institution from Tri-County Technical Education Center to Tri-County Technical College. This change allowed the addition of the two-year associate degree programs in the Arts and Sciences to complement the technical and vocational training, developmental programs in adult education, manpower developmental training act programs, and more than 2,300 non-credit courses, seminars and workshops in continuing education.

In the past four decades enrollment has increased from 1,836 in credit and non-credit programs to over 20,000 students. The College has expanded its teaching methods from the traditional classroom and lab setting to on-line distance learning credit and non-credit courses. The main campus at Pendleton has grown from one building to fourteen buildings and has gained a national reputation for excellence. Visitors from colleges in other states and other countries regularly come to observe our academic and support programs.

The College experienced another “first” in March 2007 when the first branch campus opened in Anderson County offering both credit and non-credit courses. In September 2007, the College opened a new Oconee Campus at the Hamilton Career Center in Seneca and in spring 2009 the Watkins Community Center in Honea Path was renovated to include 4 classrooms used for community and corporate education.

Economic Condition and Outlook

A primary mission of the South Carolina technical colleges is to support economic development through education and training for the citizens of South Carolina. Tri-County Technical College’s financial health is closely linked to the economic conditions of the State and the local communities served by the College. The State of South Carolina, together with the three counties in the College’s service area, provides approximately 33.8% of the College’s current unrestricted budget. Thus, the priorities of these political entities have a significant impact upon the funding they provide the College.

South Carolina and the Tri-County service area have felt the effects of a crumbling economy. Unemployment rates reached record highs in Anderson, Oconee and Pickens counties; 12.5%, 14.5% and 10.2%, respectively. The State not only experienced record 2-digit unemployment but overspent its general fund budget by \$98.2 million for the fiscal year that ended June 30, 2009. According to the *News Release* document, dated August 14, 2009, from the Comptroller General’s Office, actual revenue collections were \$1.2 billion less than the estimates used to form original spending plans. As the economy deteriorated and estimated revenues failed to materialize, midyear spending cuts were authorized.

Tri-County’s appropriations were cut 22.6% over the course of the fiscal year. The College prepared three budget amendments, cutting expenses to accommodate the reductions. Historically, when the economy is weak, College enrollment increases. Because of this trend, along with a robust enrollment management strategic plan, the College experienced its largest number of students in its history, 5730, which represented a 9.4% increase in enrollment from fall term 2007. In addition, spring term enrollment increased nearly 12% over the previous spring term and summer term enrollment increased nearly 15% over the previous summer term. Because of the enrollment increase, the College was able to accomplish its mission.

According to the Sunshine Review, the Center on Budget and Policy Priorities projects a \$725 million budget deficit for fiscal year 2010. The State will be forced to cut the College’s appropriations again during 2010. The College will undertake several major initiatives during the next fiscal year that will impact its economic vitality. Details are in the next section under “Major Initiatives Fiscal Year 2010”.

Major Initiatives

Major Initiatives/Achievements Fiscal Year 2009

Enrollment Reaches Record Highs: Tri-County had record-breaking enrollment increases of nearly ten percent during Fall Semester, close to twelve percent in the spring, and more than seventeen percent in the summer, making it the second fastest-growing College in the State's system of 16 technical colleges. During the last decade, Tri-County has experienced a cumulative growth rate of 58.6% and is the fifth largest College in the System.

College Breaks Ground on Road-Widening Project: Congressman Gresham Barrett joined College officials and community leaders for a groundbreaking ceremony for a road-widening project to improve access to the College's Anderson campus. Through his continued support of Tri-County initiatives, Rep. Barrett secured \$300,000 in federal appropriations to fund the widening of Michelin Boulevard to provide a turn lane into the campus.

STEM Conference Attracts Local Teachers: NASA Astronaut and retired Army Colonel Patrick Forrester delivered the keynote address at the Science, Technology, Engineering, and Mathematics (STEM) conference to more than 100 educators from local school districts, Clemson University, and Tri-County. The conference focused on promoting STEM education at their individual schools. The symposium was funded with a \$46,200 grant from AdvanceSC.

Veterans Remembered for Service: The College hosted a Veterans Day Memorial Service to pay tribute to all veterans and current service men and women who serve and sacrifice for this country. Wreaths were placed at the memorial in the Veterans Memorial Place located on the Pendleton campus.

Dr. Chris Marino Receives Presidential Medallion: Dr. Chris Marino, director of Research and Evaluation at Tri-County Technical College, received the Presidential Medallion for Staff Excellence, the highest award given for staff excellence at the College.

Oconee Campus Graduates First Nurse Aid and Practical Nursing Classes: The College graduated its first nurse aide and practical nursing classes from its new Oconee Campus at the Hamilton Career Center during December, 2008.

College Hosts FIRST LEGO League Competition: Sixteen teams representing students from area middle schools competed in a regional qualifying event for the FIRST LEGO League teams. In this year's challenge, teams built robots using LEGO kits and were judged on performance, design, presentation, and teamwork. Because of a generous donation from Robert Bosch Corporation, LLC, this event was provided free of charge.

College Dedicates Honea Path Learning Center: It was standing room only when community leaders, residents, and College officials gathered at the Watkins Community Center in Honea Path to celebrate the dedication of the College's new Learning Center. As a way of thanking Senator O'Dell for assistance with obtaining State funding for renovations, the Center is named the Senator Billy O'Dell Learning Center and will offer corporate and community education classes for the citizens of Honea Path.

Major Initiatives/Achievements Fiscal Year 2009-continued

Pharmacy Tech Program Receives Accreditation by ASHP: The College received accreditation by the American Society of Health-System Pharmacists (ASHP), which is the nationwide gold standard for the pharmacy industry. It includes standards for pharmacy technician education and pharmacist education. ASHP accreditation signifies that nationally endorsed standards are met in pharmacy education programs, pharmacy services, and facilities.

Community Enjoys Bluegrass, Fireworks: An estimated 1,000 fans attended the fourth annual Bluegrass Under the Stars event, a free concert and fireworks display for the community held April 4. Sandvik/Valenite was the Champion sponsor.

TechReadySC Provides Equipment to Upstate Colleges: TechReadySC, a collaborative partnership of five Upstate colleges that is funded by AdvanceSC, has provided each of the colleges with state-of-the-art laboratory equipment to support the new courses required by today's advanced manufacturing sector. This equipment provides students with "hands-on" training opportunities in the interdisciplinary field of Mechatronics Technology (electronic systems, mechanical systems, control systems and computer systems).

College Names Philanthropists of the Year: Ellis E. Bradford and Clara W. Golay were named the College's Philanthropists of the Year for 2008. This award is the Foundation's highest and most prestigious honor reserved for those who make a substantial contribution to the Foundation in support of the College's programs and services.

Grant Funds CARS Program: A \$150,000 grant from AdvanceSC/Duke Energy will allow the College to purchase four FANUC robots that will be used in the upcoming Computerized Automation and Robotics Systems (CARS) program. The grant also will fund CARS curriculum development and a summer camp for 20 middle school students.

Timkin Manager Named to Commission: Anderson native and Timken Manufacturing Manager Leon (Butch) Harris, III was appointed to the Tri-County Technical College Commission, which is the governing body of the College. His appointment is through April 2011.

Former Commissioner Honored with Order of Merit: Tri-County Technical College honored former Commission member and Anderson resident Lawrence B. (Larry) Miller with the Order of Merit, the highest award given by the College's nine-member Commission. The Order of Merit is an honorary society which recognizes community and state leaders who have contributed to the development of Tri-County Technical College and the State Technical College System.

Tournament Nets More Than \$8,000 in Support of Alumni Causes, Athletics: The Alumni Association and the Athletics Department co-sponsored the Tri-County Spring Open Golf Tournament to raise funds for book supply awards, faculty/staff professional development opportunities, and Athletics Department scholarships and equipment and team-related expenses. The 2009 tournament raised more than \$8,000.

Events Highlight Black History Month: The College celebrated Black History Month with a variety of workshops, lectures, and performances to celebrate cultural diversity.

Major Initiatives/Achievements Fiscal Year 2009-continued

CCE offers New Manufacturing Certificate: A new Manufacturing Production Technician Certificate program is now available through Corporate and Community Education (CCE). The program will enable workers to build the core knowledge and skills needed in today's advanced manufacturing workplace and is based on the Manufacturing Skills Standard Council (MSSC) standards.

Business Technology Advisory Committee Receives Top Honor: The Business Technology Advisory Board was named Advisory Committee of the Year for 2008. This is the seventh time the committee has received the trophy, the first time being in 1981.

Open Houses Feature Programs, Careers: A series of Open Houses in February spotlighted the College's academic programs and student services. An estimated 300 people attended, including high school students and their parents, persons who have been laid off from their jobs, and those seeking retraining for new careers.

Hundreds Attend College and Career Fair: TRiO's Student Support Services program hosted the 16th Annual College and Career Fair for soon-to-be grads, persons who are unemployed, and those transitioning from jobs. The Fair gave participants an opportunity to talk about employment opportunities with recruiters and managers and to develop a network of career contacts. More than 300 people attended the event.

Writing Contest Features High School Standouts: Students from Easley and T. L. Hanna high schools took first-place honors in the poetry and short story categories at the Ruby S. Hicks Memorial Writing Contest Awards Ceremony. The event recognizes the creative writing abilities of area high school students. Mike and Brenda Cannon, of Anderson, are patrons of the event.

Three Honored as TCTC Educators of the Year: Lee Tennent, director of the Information Technology Division, was named the Outstanding Administrator; Dr. Peggy Champion, department head for Veterinary Technology, was named the Outstanding Instructor; and Melinda Zeigler, administrative assistant for the Business and Public Services Division, was named the outstanding staff nominee.

DeMint Delivers Keynote Address: Senator Jim DeMint delivered the keynote address to a crowd of around 250 business, industry and community leaders at the College's annual report luncheon. "Access and Availability for All" was the theme of the luncheon and the 54-page report distributed at the event.

AdvanceSC Awards Training Grant: A \$250,000 grant from AdvanceSC will allow Tri-County Technical College to conduct industry-based Manufacturing Skill Standards Council (MSSC) training to assist in providing area companies with a qualified, more productive workforce. Earning the industry's top national credential, MSSC certification, can give future and incumbent employees a competitive edge and will help to meet industry needs by preparing new workers for entry-level production and fabrication jobs.

Officials Break Ground on Easley Campus: Legislators, county council members, and local business leaders joined College officials in breaking ground on a 37.51-acre piece of property on Powdersville Road in Easley that will become the site of the College's third branch campus. Construction will begin this summer on the first two buildings -- one is a QuickJobs Training Center and the other is a Multipurpose Classroom and Technology Center. The future Easley Campus will give the College a presence in each of the three counties and enable the College to better serve the citizens of Pickens County by offering credit and continuing education courses to residents.

Major Initiatives/Achievements Fiscal Year 2009-continued

MLT Student Honored with Keys to the Future Award: Harmony Hicks, a senior Medical Laboratory Technology (MLT) honor student, received the Keys to the Future Award in recognition of her scholastic achievements, hard work, dedication and service to the South Carolina Society of Clinical Laboratory Science (SCSCLS).

State Treasurer Speaks at Spring Graduation: Converse A. Chellis, III, State Treasurer for South Carolina, delivered the Commencement address to Tri-County Technical College's 415 spring graduates.

Martin Receives Highest Faculty Honor: Dr. Ronnie L. Booth presented the Presidential Medallion for Instructional Excellence to Lou Ann Martin, Math Instructor, during the annual Spring Commencement Ceremony. The medallion is presented each year to the instructor who has contributed the most during the academic year to the profession of teaching, to the development of the College and to the students.

Powell Chosen for Distinguished Alumni Award: Local business leader John Powell was awarded the Distinguished Alumni Award, which highlights his dedication to his alma mater. Since graduating, Powell has maintained a close connection to the College by serving on various boards and continuing to spread the word about a place that gave him career direction and many fond memories.

Science Instructor Honored with Adjunct Award: Mary Rowell, an instructor in the Science Department, was the recipient of the 2009 Adjunct Faculty Presidential Award at the College. This award is given annually at the spring faculty/staff convocation to the adjunct faculty member who is recognized for excellence in teaching, who has consistently high student evaluations and who supports the philosophy and goals of the College.

ADN, LPN Grads Top State and National Scores on Licensing Exam: For the second consecutive year, Tri-County Technical College's associate degree Nursing (R.N.) and Practical Nursing (L.P.N.) graduates topped State and national scores on the National Council Licensing Exam (NCLEX). The 88 graduates of Tri-County's Associate Degree Nursing (ADN) class of 2008 report a 90.91 percent pass rate. South Carolina colleges' average passing rate is 87.34 percent and the national average is 86.73 percent. Tri-County reported the highest scores among Upstate technical colleges. Tri-County's 29 Practical Nursing grads report a 96.55 percent pass rate while the State reports a 95.7 percent rate and national figures are at 85.62 percent.

AT&T Foundation Awards \$100,000 to Gateway Program: The AT&T Foundation, the philanthropic arm of AT&T, Inc., awarded Tri-County Technical College a \$100,000 grant to support the Gateway to College program -- an initiative that is designed to serve at-risk students and recent high school dropouts in Anderson, Oconee and Pickens counties. The purpose of Gateway to College is to serve the needs of students who have recently dropped out of high school or who have the academic capability but are struggling in a traditional high school environment.

Learning Beyond Campus Class Visits Boston: Twelve students who enrolled in a seven-week Early American Studies course traveled to Boston to study the New England area over a three week period. The trip gave students an historical connection to the history of the New England area in an experience that transcended the traditional textbook and lecture format. The class combined History 201 and English 201.

Major Initiatives/Achievements Fiscal Year 2009-continued

On-Line Leave System: An on-line leave system was implemented to replace the paper, man-hour intensive process.

On-Line Application System: An on-line student application system was implemented which gives the potential student an easy, user-friendly way to apply to the College.

On-Line Payment System: The College implemented an on-line payment system in fiscal year 2006 for students to pay for tuition and transcript fees. An on-line payment system to pay for books on-line was implemented.

Purchasing Web Link: A link on the TCTC website was added to provide vendors with information on solicitations and awards. This eliminates the need for mailing paper solicitations to vendors and eliminates many man-hours of work.

Major Initiatives Fiscal Year 2010

In an article written for *Connections*, the College's news letter, Dr. Booth outlined the Strategic Plan Priorities. The College is in the middle of a multi-year plan. The following is an excerpt of the article. It outlines the major initiatives for the next fiscal year.

“Our first priority is to “Enhance Opportunities for Student Success,” which is the driving force behind our journey to become a true “learning college.” Activities in support of this priority include sending teams of faculty and staff to key learning college conferences; expanding communications about learning college initiatives and accomplishments, and establishing a “culture of evidence” approach to student learning outcomes. Another focus area is enrollment and retention. We have made great strides in improving our enrollment processes; our next step is to address retention.

Our second priority is to “Promote a Safe, Collegial, and Diverse Environment.” Key to accomplishing this goal is fostering an organizational culture that encourages open and full participation of all employees and students in the life of the college. We also seek to increase the diversity of the campus community through student and employee recruitment strategies, researching and adopting best practices, and expanding our employee development program to include additional services and training for supervisors. Attention to the health and safety of our College family also is identified in the plan and includes the need to refine response plans and practices for all campuses in regard to emergencies and other threats.

Third, we seek to “Promote the Professional Development and Personal Enrichment of Employees.” Strategies include providing a coordinated system and appropriate support for professional development and encouraging employee participation in personal enrichment experiences. As with other priorities, we already have made significant improvements as evidenced by new and diverse development opportunities.

Major Initiatives Fiscal Year 2010-continued

Priority Four is to “Promote Economic and Community Development.” Our goal is to increase mutually beneficial collaborations between the College and the community and between the College and other educational institutions. Collaboration is one of the many things we do well, as evidenced by our Gateway to College and Bridge to Clemson programs. We need to seek additional opportunities to work with other organizations in an effort to leverage resources and expand educational opportunities in our service area. One collaboration we currently are developing is the Tri-County Economic Partnership program, which will include a Center for Small Business and Entrepreneurship.

Priority Five is to “Develop and Optimize Use of Resources.” This includes our Major Gifts Campaign in association with the College’s upcoming 50th anniversary celebration in 2012. Identifying cost savings improvements also is part of this priority, which we have diligently worked on for many months in light of reductions in State funding.

Sixth, we seek to “Improve the Physical Environment.” Initiatives include developing an integrated instructional and facilities plan as the foundation for the 2008-2013 College Master Plan and seeking campus-wide input on the planned Student Life Center.

Our seventh and final priority is to “Expand Educational Opportunities.” A variety of initiatives are identified for this priority, including establishing a process to set annual enrollment targets, implementing new credit programs, offering a complete associate degree program and all related academic and support services at the Anderson Campus, and developing a comprehensive master plan for the Easley Campus and an additional campus location in Oconee County.”

Financial Information

Internal Control Structure and Budgetary Control

The management of the Office of the Vice President of Business Affairs is responsible for establishing and maintaining an effective system of internal control. The system of internal control is designed to ensure that certain organizational objectives are met. Accordingly, organizational structure, policies, and procedures have been established to safeguard assets, ensure the reliability of accounting data, promote efficient operations, and ensure compliance with established governmental laws, regulations and policies, College policies, and other requirements of sponsors to whom the College is accountable. The internal accounting control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- 1) the cost of a control should not exceed the benefits likely to be derived and,
- 2) the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal financial awards, the College is responsible for ensuring compliance with all applicable laws and regulations relating to such assistance. A combination of State and College policies and procedures, integrated with the College’s system of internal controls, provides for this compliance. The College undergoes an annual examination of its federal financial assistance programs in accordance with U.S. Office of Management and Budget Circular A-133.

The College maintains budgetary controls in the form of line-item budgets and budget transfer restrictions. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the Area Commission. The College maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Open encumbrances are reported as appropriated fund balance at year-end. As demonstrated by the financial statements and schedules included in the financial section of this report, management of the College continues to meet its responsibility for sound financial management.

Debt Administration

The College paid in full the \$700,000 in outstanding general obligation State institutional bonds. The bonds were used for the construction of the Health/Science building. These bonds were secured by a pledge on tuition fees imposed by the College.

Cash Management

Substantially all of the College's cash is deposited in a local bank account maintained by the College according to the State policies. Idle cash is invested in repurchase agreements, public funds account and certificates of deposit, which are collateralized with obligations of the U.S. Government. Investment earnings for fiscal year ended June 30, 2009 totaled \$116,976.

Risk Management

The State of South Carolina (rather than an insurance carrier) assumes substantially all risks associated with:

- Claims of State employees for unemployment compensation benefits;
- Claims of covered employees for workers' compensation benefits;
- Claims of covered public employees for health insurance, dental insurance and group life insurance benefits (insurance carriers, however, provide claims administration services).

In addition, the State maintains an Insurance Reserve Fund to cover risks associated with:

- Real property including public buildings, local public schools and their content;
- Motor vehicles, school buses and aircraft;
- General tort claims that parties may file against the State or its political subdivisions;
- Medical malpractice claims that parties may file against covered hospitals; and
- Business interruptions.

The Insurance Reserve Fund purchases insurance coverage for a portion of these risks. The College also obtains employee fidelity bond insurance coverage for all employees through the Insurance Reserve Fund, also, for losses arising from theft or misappropriation. The College believes that all coverage is sufficient to preclude any significant uninsured losses.

Independent Audit

Cline, Brandt, Kochenower & Co. P.A. has audited the financial statements. The Independent Auditors' Report is included in the financial section of this report and reflects an unqualified opinion on the basic financial statements. The College complies with the requirements of the Single Audit Act for which separate reports are issued.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tri-County Technical College for its *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended June 30, 2008. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the ninth year the College prepared and submitted the CAFR to GFOA and received the award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized *Comprehensive Annual Financial Report* whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The preparation of the *Comprehensive Annual Financial Report* is a coordinated effort by various units in the College. I would like to express appreciation to all who contributed to the preparation of this report.

Sincerely,



Faye Allen, CGFO

Director of Fiscal Affairs

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Tri-County Technical College
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "K. L. Rut".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enos".

Executive Director

CLINE BRANDT KOCHENOWER
& Co., P.A.
Certified Public Accountants
Established 1950

ALBERT B. CLINE, CPA
RAYMOND H. BRANDT, CPA
BEN D. KOCHENOWER, CPA, CFE, CVA
STEVEN L. BLAKE, CPA, CFE
TIMOTHY S. BLAKE, CPA
JENNIFER J. AUSTIN, CPA

Independent Auditors' Report

Tri-County Technical College
Pendleton, South Carolina

We have audited the accompanying basic financial statements of Tri-County Technical College, a component unit of the South Carolina Technical and Comprehensive Education Board, as of and for the year ended June 30, 2009. These basic financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, the Tri-County Technical College Foundation, Inc. and Subsidiary. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented component unit, the Tri-County Technical College Foundation, Inc. and Subsidiary, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the revised August, 1994 *State Board Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Tri-County Technical College Foundation, Inc. and Subsidiary were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Tri-County Technical College and its discretely presented component unit, as of June 30, 2009 and the results of its operations and the changes in net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2009 on our consideration of Tri-County Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We have also issued our report dated September 10, 2009 on our consideration of Tri-County Technical College administration of the State Lottery Assistance Program and on our test of its compliance with certain provisions of State law and policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

The management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The introductory section, the supplemental financial statements and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the College. The supplementary information and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in blue ink, reading "Clint Brantley, CPA". The signature is written in a cursive style with a horizontal line through the middle.

September 10, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
TRI-COUNTY TECHNICAL COLLEGE
June 30, 2009

As management of Tri-County Technical College, ("*the College*") we offer readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2009. This discussion should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Financial Highlights

- The assets of Tri-County Technical College exceeded its liabilities at June 30, 2009 by \$48,008,225 (net assets). Of this amount, \$15,452,250 (unrestricted net assets) may be used to meet the College's ongoing obligations.
- The College's net assets increased by \$3,243,070 or 7.2%, primarily in the category of current assets.
- The College's bond debt decreased by \$700,000 during the current fiscal year and the obligation has been completed.
- The College experienced an operating loss of \$10,450,731 as reported in the Statement of Revenues, Expenses, and Changes in Net Assets. However, State appropriations of \$7,566,955, local appropriations of \$3,530,344, State grants and contracts of \$550,710, other non-operating revenues of \$836,510, and capital appropriations of \$1,556,166 for a total of \$14,040,685 to offset this operating loss.

Overview of the Financial Statements

The College is engaged only in Business-Type Activities (BTA) that are financed in part by fees charged to students for educational services. Accordingly, its activities are reported using the three financial statements required for proprietary funds: Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; and Statement of Cash Flows.

The Statement of Net Assets presents the financial position of the College at the end of the fiscal year and classifies assets and liabilities into current and non-current. The difference between total assets and total liabilities is net assets, which are displayed in three broad categories: invested in capital assets (net of related debt), restricted, and unrestricted. Net assets are one indicator of the current financial condition of the College, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Assets is basically a statement of net income that replaces the fund perspective with the entity-wide perspective. Revenues and expenses are categorized by operating and non-operating, and expenses are reported by object type.

The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, capital and related financing, non-capital financing, and investing activities. This statement also emphasizes the College's dependence on State and county appropriations by separating them from operating cash flows.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
 TRI-COUNTY TECHNICAL COLLEGE

Financial Analysis

Statement of Net Assets:

Net assets may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets exceeded liabilities by \$48,008,225 at the close of fiscal year 2009, and by \$44,765,155 at the close of fiscal year 2008.

By far the largest portion of the College's net assets (55.9%) reflects its *investment in capital assets* (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The College uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted net assets of \$15,452,250 (32.2%) may be used to meet the College's ongoing obligations.

Restricted net assets increased by \$5,695,521 due to the funds appropriate to the College from the State Capital Reserve Fund to build an occupational building.

The following schedule is prepared from the College's statement of net assets which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated. Note that assets substantially exceed liabilities denoting a sound financial condition for the College.

Net Assets
As of June 30, 2009 and June 30, 2008
 (In millions)

	30-Jun 2009	30-Jun 2008	Increase (Decrease)
ASSETS			
Current Assets	\$26.19	\$22.42	\$3.77
Non-current Assets	\$0.04	\$0.04	\$0.00
Capital Assets, Net of Depreciation	\$34.20	\$34.75	(\$0.55)
TOTAL ASSETS	\$60.43	\$57.21	\$3.22
LIABILITIES			
Current Liabilities	\$4.28	\$4.05	\$0.23
Non-current Liabilities	\$8.14	\$8.40	(\$0.26)
TOTAL LIABILITIES	\$12.42	\$12.45	(\$0.03)
NET ASSETS			
Investment in Capital Assets	\$26.86	\$26.32	\$0.54
Restricted	\$5.70	\$6.09	(\$0.39)
Unrestricted	\$15.45	\$12.36	\$3.09
TOTAL NET ASSETS	\$48.01	\$44.77	\$3.24

Total assets increased by 5.6%, the result of:
 Increase in cash and investments at year end.
 Increase in prepaid expenses.
 Total liabilities decreased by .2%, the result of:
 The 1997 bond issue was paid in full in FY2009.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
 TRI-COUNTY TECHNICAL COLLEGE

Statement of Revenues, Expenses, and Changes in Net Assets:

The "Statement of Revenues, Expenses and Changes in Net Assets" presents and categorizes revenues earned and expenses incurred during the year by operating and non-operating. Generally, operating revenues and expenses are those received and used to carry out the mission of the College; however, the College depends heavily on financial support from the state and counties for which it provides services. This support is reflected as non-operating revenue based on governmental accounting standards; therefore, the College will always reflect an operating deficit and its dependence on state and local funding. Non-operating revenues and expenses offset the operating deficit and result in an overall increase in net assets for the year. State and local capital appropriations and capital grants and gifts are considered neither operating nor non-operating revenues and are reported below "Income before other revenues, expenses, gains or losses".

Summary of Revenue

Operating Results For the Year Ended June 30, (in millions)				
	30-Jun 2009	30-Jun 2008	Increase Decrease	Percent Change
Operating Revenue				
Tuition and Fees(net of scholarship allow)	\$10.97	\$9.53	\$1.44	15.11%
Grants, Contracts and other	\$20.21	\$16.56	\$3.65	22.04%
Auxiliary(net of book allowance)	\$2.35	\$2.22	\$0.13	5.86%
Total Operating Revenue	\$33.53	\$28.32	\$5.21	18.40%
Less Operating Expenses	\$43.98	\$40.45	\$3.53	8.73%
Net Operating Loss	(\$10.45)	(\$12.13)	\$1.68	13.85%
Non-Operating Revenue				
State Appropriations	\$7.57	\$9.77	(\$2.20)	(22.52%)
Local Appropriations	\$3.53	\$3.37	\$0.16	4.75%
Other Grants and Contracts	\$1.27	\$1.47	(\$0.20)	(13.61%)
Investment Income	\$0.12	\$0.46	(\$0.34)	(73.91%)
Total Non-Operating Revenue	\$12.49	\$15.07	(\$2.58)	(17.12%)
Net Revenues over Expenses before Capital Contributions	\$2.04	\$2.94	(\$0.90)	(30.61%)
Capital Appropriations, Grants and Contracts, Gains/Losses	\$1.55	\$7.50	(\$5.95)	(79.33%)
Less :Interest on capital asset-related debt	\$0.35	\$0.40	(\$0.05)	(12.50%)
Increase in Net Assets	\$3.24	\$10.04	(\$6.80)	(67.73%)
Net Assets, Beginning of Year	\$44.77	\$34.73	\$10.04	28.91%
Net Assets, End of Year	\$48.01	\$44.77	\$3.24	7.24%
Total Revenues	\$47.57	\$50.88	(\$3.31)	(6.51%)

Total operating revenue increased by 18.40% but non-operating revenue decreased by 17.12%, the result of:

The College experienced a 15.0% increase in FTEs for FY09. Contributing factors for the increase in enrollment are the Bridge to Clemson, Gateway to College programs and the failing economy.

Tuition increased by 3.0% that started fall term 2008.

Auxiliary revenue increased in proportion with the increase in enrollment.

The College was awarded several new Federal Department of Labor grants.

State appropriations decreased 22.52% during FY09 resulting in a decline in non-operating revenues.

Investment income decreased due to declining interest rates.

Total capital contributions decreased by 79.33%, the result of:

FY09 is being compared to an unusually large amount of capital revenue recorded in FY08. The funds appropriate to the College from the State Capital Reserve Fund to build an occupational building were recorded as an increase for FY08.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
TRI-COUNTY TECHNICAL COLLEGE

Summary of Expenses

Operating Expenses For the Year Ended June 30, (in millions)				
	30-Jun 2009	30-Jun 2008	Increase (Decrease)	Percent Change
Operating Expenses				
Instruction	\$17.01	\$17.01	\$ -0-	-0-%
Academic Support	\$2.77	\$2.67	\$0.10	3.75%
Student Services	\$6.13	\$4.95	\$1.18	23.84%
Operations and Maintenance of Plant	\$3.51	\$4.08	(\$0.57)	(13.97%)
General Administration	\$2.88	\$2.54	\$0.34	13.39%
Scholarships	\$4.95	\$3.51	\$1.44	41.03%
Auxiliary	\$3.71	\$3.14	\$0.57	18.15%
Depreciation	\$3.02	\$2.55	\$0.47	18.43%
Total Operating Expenses	\$43.98	\$40.45	\$3.53	8.73%
Total all Expenses	\$44.33	\$40.85	\$3.48	8.52%

Total operating expenses increased by 8.78%, the result of:

Note that even though there was a large increase in enrollment, the operating expenses of the College were stable or only slightly up. Note, also, that the operations and maintenance of plant decreased their operating expenses by becoming more efficient.

Student Services expenses increased by 23.84% due to a large number of WIA and AdvanceSC grants.

General Administration expenses increased by 13.39% due to a reorganization which led to one department changing classifications from academic to general administration.

Depreciation increased due to the normal amortization of costs.

Statement of Cash Flows:

The "Statement of Cash Flows" is concerned solely with the flows of cash in and out of the College. Consequently, only transactions that affect the College's cash account is reported in this statement.

Summary of Cash Flows

Cash Flows Analysis For the Year Ended June 30, 2009 With Comparative Totals for June 30, 2008 (in millions)			
	June 30 2009	June 30 2008	Difference
Net cash used by operating activities	\$(6.95)	\$(9.51)	\$ 2.56
Net cash flows from non-capital financing activities	\$ 12.36	\$ 14.62	(\$2.26)
Net cash flows used by capital and related financing activities	\$(1.83)	\$(2.26)	\$ 0.43
Net cash flows from investing activities	\$ 0.14	\$ 0.47	(\$0.33)
Net increase(decrease) in cash	\$ 3.72	\$ 3.32	\$.40

The College experienced a 12.05% net increase in cash flow compared to fiscal year 2008, the result of:

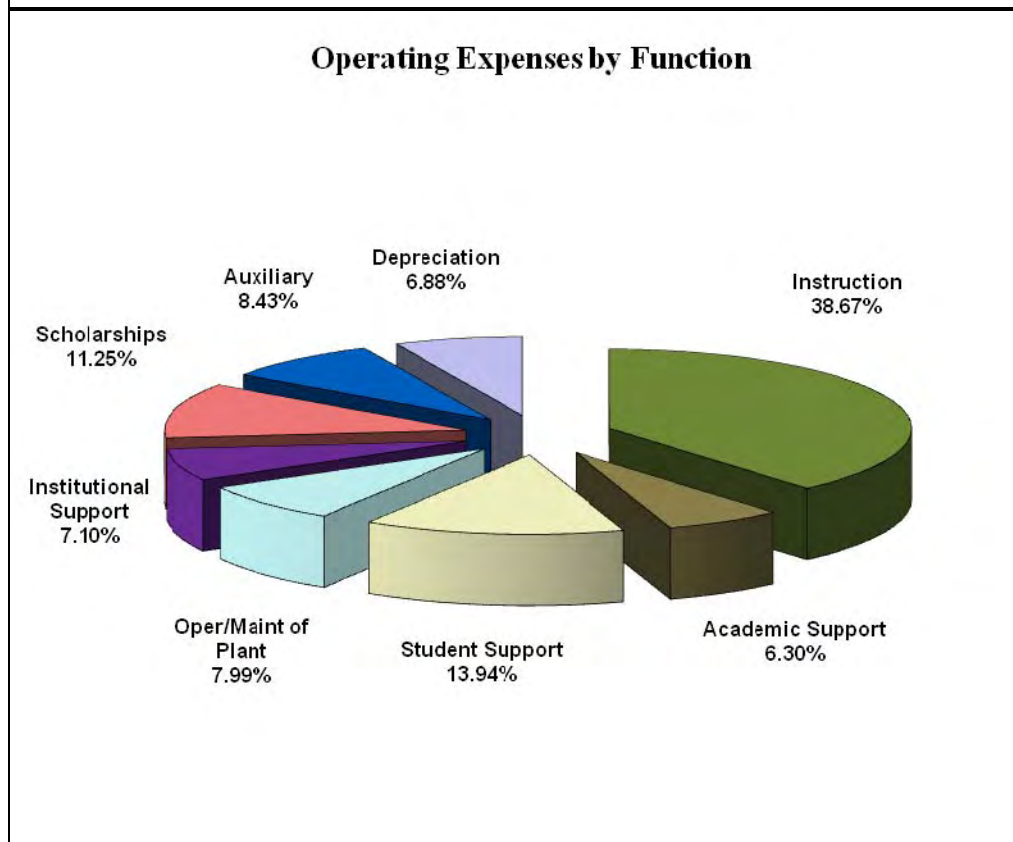
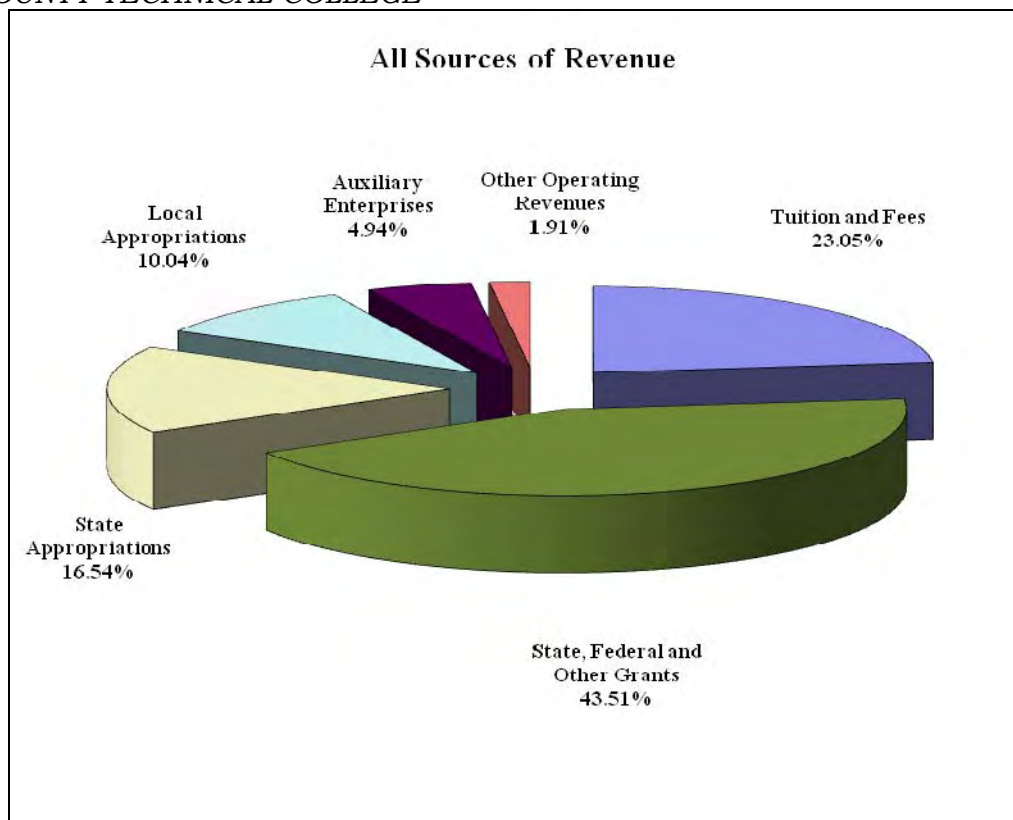
Cash *inflow* from tuition and Federal and State grants *increased* by 26.92%.

Cash *inflow* from State, Local and other appropriations *decreased* by 15.46%. This was due to the numerous cuts in State appropriations.

Cash *outflow* from purchase of capital assets *decreased* by 19.03%.

Cash *inflow* from interest income *decreased* by 12.05%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
TRI-COUNTY TECHNICAL COLLEGE



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
TRI-COUNTY TECHNICAL COLLEGE

Capital Asset and Debt Administration

The College's capital assets total \$34,203,475, a 1.58% decrease over fiscal year 2008. This is the result of a net reduction of equipment and the normal recording of accumulated depreciation which reduces the total book value of capital assets.

The College began the process of preparing for the construction of the Easley Campus Occupational Center building. The costs are recorded in the asset, Construction in Progress until completion of the project. More detailed information on long-term debt activity and capital asset activity can be found in notes 2, 6, and 12 following the basic financial statements.

The College paid \$700,000 on the 1998 bond issue, paying the bond in full.

Economic Factors

In the May 2009 issue of the TCTC Connections newsletter, Dr. Booth summed up the economic events of fiscal year 2009, "It has been a difficult year for South Carolina and the nation, and we, too, have felt the effects of a crumbling economy-the mortgage crisis, company layoffs and closings, job scarcity throughout the region, and significant cuts in education and other state agency funding." The State cut the College's appropriations by a total of 23.8% over the course of the fiscal year. The College prepared three budget amendments, cutting expenses to accommodate the reductions. Historically, when the economy is weak, College enrollment increases. Because of this trend, along with a robust enrollment management strategic plan, the College experienced its largest number of students in its history, 5730, which represented a 9.4% increase in enrollment from fall term 2007. In addition, spring term enrollment increased nearly 12% over the previous spring term and summer term enrollment increased nearly 15% over the previous summer term. Because of the enrollment increase, the College was able to accomplish its mission.

Statement of Net Assets
Tri-County Technical College
June 30, 2009 and June 30, 2008

ASSETS	FY09	FY08
Current assets:		
Cash and cash equivalents--Note 3	\$ 16,809,341	\$ 13,092,720
Accounts receivable, net of allowance--Note 4	8,442,155	8,549,852
Inventories	565,278	536,487
Prepaid expenses - other assets	368,514	243,889
Total Current Assets	26,185,288	22,422,948
Noncurrent assets:		
Restricted cash and cash equivalents--Note 3	45,088	41,210
Capital assets, net of accumulated depreciation--Note 6	34,203,475	34,751,814
Total Noncurrent Assets	34,248,563	34,793,024
TOTAL ASSETS	\$ 60,433,851	\$ 57,215,972
LIABILITIES		
Current liabilities		
Accounts payable--Note 5	\$ 1,076,289	\$ 937,142
Accrued liabilities	35,249	35,452
Accrued annual leave-current portion--Note 12	124,361	113,624
Unearned Revenue	2,727,454	1,908,790
Bonds payable-current portion--Note 11	0	700,000
Capital lease payable-current portion--Note 10	320,000	351,197
Total Current Liabilities	\$ 4,283,353	\$ 4,046,205
Noncurrent Liabilities		
Accrued annual leave--Note 12	\$ 1,119,252	\$ 1,022,621
Capital lease payable--Note 10 and 12	7,023,021	7,381,991
Total Noncurrent Liabilities	8,142,273	8,404,612
TOTAL LIABILITIES	\$ 12,425,626	\$ 12,450,817
NET ASSETS		
Invested in capital assets, net of related debt	\$ 26,860,454	\$ 26,318,626
Restricted for:		
Expendable:		
Debt service	495	19,814
Capital Project fund	44,593	21,396
Capital Reserve fund	5,650,433	6,046,642
Unrestricted	15,452,250	12,358,677
Total Net Assets	48,008,225	44,765,155
TOTAL LIABILITIES AND NET ASSETS	\$ 60,433,851	\$ 57,215,972

See accompanying notes to financial statements.

Statement of Revenues, Expenses, and Changes in Net Assets
Tri-County Technical College
For the years ended June 30, 2009 and June 30, 2008

REVENUES	FY09	FY08
Operating Revenues:		
Student tuition and fees (net of \$8,174,494 scholarship allowances)	\$ 10,967,806	\$ 9,531,160
Federal grants and contracts	12,292,964	9,202,766
State grants and contracts	6,399,479	5,815,489
Non-governmental contracts	1,455,772	1,480,537
Auxiliary enterprises(net of \$1,954,313 scholarship book allowance)	2,349,486	2,218,669
Other operating revenues	67,360	69,867
TOTAL OPERATING REVENUES	33,532,867	28,318,488
EXPENSES		
Operating Expenses		
Salaries	18,614,189	17,804,799
Benefits	4,896,098	4,584,530
Scholarships	4,948,979	3,505,098
Utilities	817,889	731,931
Supplies and other services	8,385,212	8,590,743
Auxiliary resale costs	3,294,512	2,687,798
Depreciation	3,026,719	2,545,300
TOTAL OPERATING EXPENSES	43,983,598	40,450,199
OPERATING LOSS	(10,450,731)	(12,131,711)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	7,561,326	9,765,118
State appropriations-CHE	5,629	8,269
Local appropriations	3,530,344	3,370,371
State grants and contracts	550,710	869,351
Other nonoperating revenues	719,534	601,618
Interest income	116,976	455,065
Interest on capital asset-related debt	(346,884)	(395,901)
NET NONOPERATING REVENUES	12,137,635	14,673,891
INCOME BEFORE OTHER REVENUE,EXPENSES AND GAINS OR LOSSES	1,686,904	2,542,180
Gain on disposal of leased asset	6,713	24,254
Appalachian Regional Council (ARC) Grant	0	147,986
State Capital Reserve Fund Appropriations	0	6,067,200
State appropriations-Lottery Technology	302,540	298,935
Local capital appropriations	1,246,913	957,562
TOTAL OTHER	1,556,166	7,495,937
INCREASE IN NET ASSETS	3,243,070	10,038,117
NET ASSETS		
NET ASSETS - BEGINNING OF THE YEAR	44,765,155	34,727,038
NET ASSETS - END OF THE YEAR	\$ 48,008,225	\$ 44,765,155

See accompanying notes to financial statements.

Statement of Cash Flows
Tri-County Technical College
For the years ended June 30, 2009 and June 30, 2008

	<u>FY09</u>	<u>FY08</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 10,395,015	\$ 9,409,662
Federal grants & contracts	7,068,830	5,624,320
State grants & contracts	6,670,143	5,566,711
Non governmental grants & contracts	2,502,640	2,232,360
Auxiliary Enterprise	(827,395)	(517,788)
Payments to suppliers	(9,428,341)	(9,379,191)
Payments to employees	(23,403,123)	(22,519,801)
Other receipts	67,360	69,867
NET CASH USED BY OPERATING ACTIVITIES	<u>(6,954,871)</u>	<u>(9,513,860)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	7,563,348	9,773,387
Local appropriations	3,530,344	3,370,371
State grants and contracts	550,710	869,351
Other grants and contracts	719,534	601,618
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>12,363,936</u>	<u>14,614,727</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
County appropriations for capital	1,246,913	957,562
Federal grants for capital	-	147,986
State capital reserve fund appropriations	333,605	6,780
State grants for capital	-	-
State lottery technology	302,540	298,935
State capital assets-payable	(1,361)	1,362
Purchases of capital assets	(2,270,478)	(2,466,936)
Proceeds from capital lease	387,581	334,420
Principle paid on capital debt (bond/lease)	(1,477,748)	(1,142,795)
Interest paid on capital debt (bond/lease)	(346,884)	(395,901)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (1,825,832)</u>	<u>\$ (2,258,587)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	137,266	474,398
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>\$ 137,266</u>	<u>\$ 474,398</u>
NET INCREASE IN CASH	3,720,499	3,316,678
CASH - BEGINNING OF THE YEAR	<u>13,133,930</u>	<u>9,817,252</u>
CASH - END OF YEAR	<u><u>\$ 16,854,429</u></u>	<u><u>\$ 13,133,930</u></u>

See accompanying notes to financial statements.

Statement of Cash Flows

Tri-County Technical College

For the years ended June 30, 2009 and June 30, 2008

	<u>FY09</u>	<u>FY08</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating expenses over revenues	\$ (10,450,731)	\$ (12,131,711)
Depreciation expense	3,026,719	2,545,300
 CHANGES IN ASSETS AND LIABILITIES		
Accounts receivable	(246,325)	(19,320)
Inventory	(28,791)	(161,200)
Prepaid expenses	(225,240)	(56,517)
Accounts payable	43,665	(59,624)
Unearned revenue	818,668	499,684
Accrued liabilities	(203)	2,536
Compensated absences	107,367	(133,008)
 NET CASH (USED) BY OPERATING ACTIVITIES	<u><u>\$ (6,954,871)</u></u>	<u><u>\$ (9,513,860)</u></u>

Non-Cash Transactions:

Gain on disposal of leased asset	6,713	24,254
----------------------------------	-------	--------

See accompanying notes to financial statements.

Component Unit of
Tri-County Technical College

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
TRI-COUNTY TECHNICAL COLLEGE FOUNDATION, INC. AND SUBSIDIARY

	June 30,	
	2009	2008
ASSETS		
Cash and cash equivalents	\$ 987,176	\$ 72,396
Board designated cash	3,140	3,489
Pledges receivable, net of discount	386,880	183,496
Accrued interest receivable	81,165	87,706
Student Loans receivable	6,442	13,997
Other receivable	0	1,352
Investments	12,033,502	16,333,377
Property, plant and equipment, net of accumulated depreciation	7,881,082	8,043,128
Bond issue costs, net of accumulated amortization	51,151	54,301
TOTAL ASSETS	\$ 21,430,538	\$ 24,793,242
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	42,143	33,292
Bonds payable	7,120,000	7,425,000
Total Liabilities	\$ 7,162,143	\$ 7,458,292
Net Assets		
Unrestricted	1,999,987	2,060,694
Unrstirected, Board-designated	815,373	675,918
Temporarily Restricted	1,816,729	5,390,572
Permanently Restricted	9,636,306	9,207,766
Total Net Assets	14,268,395	17,334,950
TOTAL LIABILITIES AND NET ASSETS	\$ 21,430,538	\$ 24,793,242

The accompanying notes are an integral part of these consolidated financial statements.

Component Unit of
Tri-County Technical College

CONSOLIDATED STATEMENTS OF ACTIVITIES
TRI-COUNTY TECHNICAL COLLEGE FOUNDATION, INC. AND SUBSIDIARY
For the Years Ended June 30, 2009 and 2008

	2009				2008
	Unrestricted	Temporarily Restricted	Permanently Restricted	Combined Total	Combined Total
Revenues, Gains, and Other Support					
Contributions	\$ 173,514	\$ 518,339	\$ 326,479	\$ 1,018,332	\$ 885,681
Investment income	-	292,271	-	292,271	378,914
Rental income	601,718	-	-	601,718	603,958
Interest income	5,552	3267	-	8,819	8,380
Partnership income (loss)	-	(20,828)	-	(20,828)	(11,309)
Net realized gains on investments	-	36,099	-	36,099	122,752
Net unrealized losses on investments	589	(3,354,562)	-	(3,353,973)	(668,585)
Other income	-	20,766	-	20,766	43,400
Total Revenues, Gains, and Other Support	781,373	(2,504,648)	326,479	(1,396,796)	1,363,191
Net Assets Released From Restrictions	961,364	(961,364)	-	-	-
Expenses					
Program services					
Scholarships	422,512	-	-	422,512	380,323
Educational support	559,033	-	-	559,033	547,301
Pledge discount	10,639	-	-	10,639	5,448
Depreciation and amortization	165,195	-	-	165,195	165,367
Management and general	100,265	-	-	100,265	174,530
Interest expense	296,718	-	-	296,718	308,958
Fund raising	115,397	-	-	115,397	115,695
Total Expenses	1,669,759			1,669,759	1,697,622
Changes in Net Assets	72,978	(3,466,012)	326,479	(3,066,555)	(334,431)
Non-Operating Reclassification		4,950	(4,950)	-	
Net Assets at Beginning of Year	2,742,382	5,277,791	9,314,777	17,334,950	17,669,381
NET ASSETS AT END OF YEAR	\$ 2,815,360	\$ 1,816,729	\$ 9,636,306	\$ 14,268,395	\$ 17,334,950

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE
June 30, 2009 and June 30, 2008

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Tri-County Technical College (“*the College*”), a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of Anderson, Oconee, and Pickens counties. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the College’s service area. As an integral part of this mission, the College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading the skills of individual employees. The College also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

Reporting Entity: The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Tri-County Technical College, as the primary government, and the accounts of Tri-County Technical College Foundation (the “Foundation”), its component unit. The College is part of the primary government of the State of South Carolina. However, based on the nature and significance of the Foundation’s relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The 45-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation’s operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Because it is considered impractical to reformat the nongovernmental data into the governmental format, no modifications have been made to the Foundation’s financial information in the College’s financial reporting entity for these differences.

However, significant note disclosures to the Foundation’s financial statements have been incorporated into the College’s notes to the financial statements. (See the Component Unit Section within this Summary of Significant Accounting Policies and Notes 13 and 17.)

Financial statements for the Foundation can be obtained by mailing a request to Tri-County Technical College Foundation, P.O. Box 587, Pendleton, SC 29670.

NOTES TO THE FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial Statements: The financial statement presentation for the College meets the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation provides a comprehensive, entity-wide perspective of the College's net assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required.

The financial statements are presented within the College's Comprehensive Annual Financial Report (CAFR). The CAFR also includes an introductory section and statistical section. The College's CAFR meets the requirements of the new GASB Statement No. 44 on the Statistical Section.

Basis of Accounting: For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated. The College has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are considered cash equivalents.

Investments: Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, "Investments of Funds". During the year ended June 30, 2005, the College implemented GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3*. This statement requires disclosures related to deposit risks, such as custodial credit risk, and investment risks, such as credit risk (including custodial credit risk and concentrations of credit risks) and interest rate risk. The college accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the fair value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Details for accounts receivable are discussed in Note 3.

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2009, the allowance for uncollectible student accounts is \$70,000. At June 30, 2008, the allowance for uncollectible student accounts is \$45,000.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Inventories: Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition.

Deferred Revenues and Deposits: Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned. At June 30, 2009, deferred revenue for tuition and fees totaled \$930,222 and other deferred revenue totaled \$1,797,232. At June 30, 2008, deferred revenue for tuition and fees totaled \$910,150 and other deferred revenue totaled \$998,637.

Compensated Absences: Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities in the statement of net assets and as a component of benefit expenses in the statement of revenues, expenses, and changes in net assets. At June 30, 2009, accumulated unpaid vacation time amounted to \$1,243,614. At June 30, 2008, accumulated unpaid vacation time amounted to \$1,136,245.

Net Assets: The College's net assets are classified as follows:

Invested in capital assets, net of related debt: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net assets - expendable: Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted net assets – non-expendable: Non-expendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The College policy for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources and then to unrestricted resources.

Income Taxes: The College is exempt from income taxes under the Internal Revenue Code.

Classification of Revenues and Expenses: The College has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating Revenues and Expenses: Operating revenues generally result from exchange transactions to provide goods or services related to the College's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services, housing, and other related services to students; (2) fees received by College hospitals in exchange for providing health-related services; (3) receipts for scholarships where the provider has identified the student recipients; (4) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College; and (5) grants and contracts that are essentially the same as contracts for services that finance programs the College would not otherwise undertake.

Non-operating Revenues and Expenses: Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes.

Auxiliary Enterprises and Internal Service Activities: Auxiliary enterprise revenues primarily represent revenues generated by intercollegiate athletics, parking, bookstore and printing services. Revenues of internal service and auxiliary enterprise activities and the related expenses of college departments have been eliminated.

NOTE 2 -- STATE APPROPRIATIONS

State funds for operations for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the Board), and the Board allocates funds budgeted for the technical colleges in a uniform and equitable manner.

The following is a detail schedule of State appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2009:

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 2 -- STATE APPROPRIATIONS-Continued

NON-CAPITAL APPROPRIATIONS

Appropriations per Annual Appropriations Act	\$ 7,561,326
From Commission on Higher Education:	
Academic Endowment	<u>5,629</u>
Total Non-Capital Appropriations Recorded as Current Year Revenue	<u>\$ 7,566,955</u>

CAPITAL APPROPRIATIONS

State Lottery Technology Appropriations	<u>302,540</u>
Total Capital Appropriations Recorded as Current Year Revenue	<u>\$ 302,540</u>

The following is a detail schedule of State appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2008:

NON-CAPITAL APPROPRIATIONS

Appropriations per Annual Appropriations Act	\$ 9,765,118
From Commission on Higher Education:	
Academic Endowment	<u>8,269</u>
Total Non-Capital Appropriations Recorded as Current Year Revenue	<u>\$ 9,773,387</u>

CAPITAL APPROPRIATIONS

State Capital Reserve Fund Appropriations.....	\$6,067,200
State Lottery Technology Appropriations	<u>298,935</u>
Total Capital Appropriations Recorded as Current Year Revenue	<u>\$ 6,366,135</u>

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS

Deposits: The College complies with Section 11-13-30 of the South Carolina Code of Laws and Attorney General's opinion, which permit only the State Treasurer to invest funds of State agencies. It is permitted to place cash reserves (fund balances) of the College in a bank with insured deposits under FDIC. A cash management plan of the bank that includes overnight purchase of U. S. Treasury notes is used to maximize

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS-continued

earnings that become available on deposits. Under State statute, all deposits in excess of FDIC limits must be backed by the bank with satisfactory collateral assigned to the College and placed in escrow.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that a government will not be able to recover deposits if the depository financial institution fails to recover the value of collateral securities that are in the possession of an outside party if the counterparty to the deposit transaction fails.

Each night the College's deposits are transferred to an over-night repurchase agreement leaving a minimal amount in the actual bank account. The over-night repurchase investments include total amount of cash in the bank prior to application of outstanding checks.

As a result of this cash management policy, the College's deposits at June 30, 2009 were (\$522,970) which represents checks written by the College that had not cleared the payment process. Bank deposits are entirely covered by federal depository insurance or by collateral held by the College's custodial bank in the College's name.

Deposits include cash and cash equivalents on deposits in banks and held by the State Treasurer. At June 30, 2009, the State Treasurer held \$45,088 in its pooled cash in accounting funds in the College's name. State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2009, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by agents in the State's name.

Statement of Net Assets:

Cash and cash equivalents	\$ 16,809,341
Restricted cash and cash equivalents:	
Capital Projects	44,593
Debt Service	495
<u>Total Statement of Net Assets</u>	<u>\$ 16,854,429</u>

Deposit and Investments Note:

Petty cash on hand	\$ 1,550
Bank accounts	(494,304)
Investments	17,302,095
<u>Held by State Treasurer</u>	<u>45,088</u>
<u>Total Deposits and Investments Note</u>	<u>\$ 16,854,429</u>

The College's deposits at June 30, 2008 were (\$1,072,255) which represents checks written by the College that had not cleared the payment process. Bank deposits are entirely covered by federal depository insurance or by collateral held by the College's custodial bank in the College's name.

Deposits include cash and cash equivalents on deposits in banks and held by the State Treasurer. The State Treasurer held \$41,210 in its pooled cash in accounting funds in the College's name. State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2008, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by agents in the State's name.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS-continued

June 30, 2008

Statement of Net Assets:

Cash and cash equivalents	\$ 13,092,720
Restricted cash and cash equivalents:	
Capital Projects	21,396
Debt Service	19,814
Total Statement of Net Assets	\$ 13,133,930

Deposit and Investments Note:

Petty cash on hand	\$ 1,550
Bank accounts	(1,072,255)
Investments	14,163,425
Held by State Treasurer	41,210
Total Deposits and Investments Note	\$ 13,133,930

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College does not maintain deposits that are denominated in a currency other than the United States dollar, therefore, the college is not exposed to this risk.

Investments: The College is authorized, by the South Carolina Code of Laws, Section 11-9-660, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

The College's investments at June 30, 2009, that are *not* with the State Treasurer's Office are presented below. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	<u>Fair Value</u> <u>Amount</u>	<u>Investment Maturities (in years)</u>		
		Less <u>Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>
<u>Debt Securities</u>				
Repurchase agreements.....	\$17,302,095	X		
TOTAL INVESTMENTS	<u>\$17,302,095</u>			

The College's investments at June 30, 2008, that are *not* with the State Treasurer's Office are presented below. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	<u>Fair Value</u> <u>Amount</u>	<u>Investment Maturities (in years)</u>		
		Less <u>Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>
<u>Debt Securities</u>				
Repurchase agreements.....	\$11,163,425	X		
<u>Other Investments</u>				
Certificates of deposit.....	<u>\$ 3,000,000</u>	X		
TOTAL INVESTMENTS	<u>\$14,163,425</u>			

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 4 -- ACCOUNTS RECEIVABLE

Receivables at June 30, 2009:

Student Accounts	\$ 1,299,812
Other Accounts	193,187
Due from State Capital Reserve Fund	5,650,433
Due from Federal and Other Grantors	<u>1,368,723</u>
Gross Receivables	\$ 8,512,155
Less: Allowance for Uncollectible Accounts:	
Student Accounts	<u>\$ 70,000</u>
Net Receivables	<u>\$ 8,442,155</u>

Receivables at June 30, 2008:

Student Accounts	\$ 789,500
Other Accounts	162,700
Due from State Capital Reserve Fund	6,060,412
Due from Federal and Other Grantors	<u>1,582,240</u>
Gross Receivables	\$ 8,594,852
Less: Allowance for Uncollectible Accounts:	
Student Accounts	<u>\$ 45,000</u>
Net Receivables	<u>\$ 8,549,852</u>

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable as of June 30, 2009, is summarized as follows:

Operations-Accounts Payable	\$ 878,469
Due to Federal and Other Grantors	84,885
Other	<u>112,935</u>
Total Accounts Payable	<u>\$1,076,289</u>

Accounts payable as of June 30, 2008, is summarized as follows:

Operations-Accounts Payable	\$ 867,276
Due to Federal and Other Grantors	53,774
Other	<u>16,092</u>
Total Accounts Payable	<u>\$ 937,142</u>

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 6 -- CAPITAL ASSETS

The activity in the College's capital assets for the fiscal year ended June 30, 2009 is as follows:

	Beginning Balance 01-Jul-08	Increases	Decreases	Ending Balance 30-Jun-09
Capital Assets not being depreciated:				
Land	972,472	1,139,838	-	2,112,310
Total Capital Assets not being depreciated	972,472	1,139,838	-	2,112,310
Other Capital Assets:				
Buildings	24,860,191	-	-	24,860,191
Depreciable Building Improvements	8,893,475	-	-	8,893,475
Depreciable Land Improvements	3,603,831	-	-	3,603,831
Construction in Progress	-	36,809	-	36,809
Machinery, equipment, other	7,504,940	782,966	538,719	7,749,187
Vehicles	468,281	132,264	186,998	413,547
Capital Lease Assets	8,407,138	-	29,902	8,377,236
Capital Leasehold Improvement	2,144,080	387,581	-	2,531,661
Total Other Capital Assets at Historical Costs	55,881,936	1,339,620	755,619	56,465,937
Less Accumulated Depreciation for:				
Buildings	(11,264,762)	(596,630)	-	(11,861,392)
Depreciable Building Improvements	(2,157,630)	(355,739)	-	(2,513,369)
Depreciable Land Improvements	(1,410,812)	(154,793)	-	(1,565,605)
Machinery, equipment, and other	(5,806,915)	(1,212,466)	538,719	(6,480,662)
Vehicles	(270,073)	(46,544)	186,998	(129,619)
Capital Lease Assets	(956,276)	(503,726)	28,824	(1,431,178)
Capital Leasehold Improvements	(236,126)	(156,821)	-	(392,947)
Total Accumulated Depreciation	(22,102,594)	(3,026,719)	754,541	(24,374,772)
Other Capital Assets, net	33,779,342	(1,678,099)	1,078	32,091,165
Capital Assets, Net	\$34,751,814	(547,261)	1,078	\$34,203,475

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 6 -- CAPITAL ASSETS-continued

The activity in the College's capital assets for the fiscal year ended June 30, 2008 is as follows:

	Beginning Balance 01-Jul-07	Increases	Decreases	Ending Balance 30-Jun-08
Capital Assets not being depreciated:				
Land	33,751	938,721	-	972,472
Total Capital Assets not being depreciated	33,751	938,721	-	972,472
Other Capital Assets:				
Buildings	24,860,191	-	-	24,860,191
Depreciable Building Improvements	8,893,475	-	-	8,893,475
Depreciable Land Improvements	3,603,831	-	-	3,603,831
Machinery, equipment, other	6,389,612	1,540,131	424,803	7,504,940
Vehicles	454,997	51,850	38,566	468,281
Capital Lease Assets	8,272,726	334,412	200,000*	8,407,138
Capital Leasehold Improvement	2,144,080	-	-	2,144,080
Total Other Capital Assets at Historical Costs	54,618,912	1,926,393	663,369	55,881,936
Less Accumulated Depreciation for:				
Buildings	(10,655,757)	(609,005)	-	(11,264,762)
Depreciable Building Improvements	(1,801,891)	(355,739)	-	(2,157,630)
Depreciable Land Improvements	(1,256,019)	(154,793)	-	(1,410,812)
Machinery, equipment, and other	(5,480,359)	(751,359)	424,803	(5,806,915)
Vehicles	(258,432)	(50,207)	38,566	(270,073)
Capital Lease Assets	(570,142)	(506,134)	120,000*	(956,276)
Capital Leasehold Improvements	(118,063)	(118,063)	-	(236,126)
Total Accumulated Depreciation	(20,140,663)	(2,545,300)	583,369	(22,102,594)
Other Capital Assets, net	34,478,249	(618,907)	80,000*	33,779,342
Capital Assets, Net	\$34,512,000	319,814	80,000	\$34,751,814

*A capital lease asset was disposed of during the year but was not fully depreciated.

NOTE 7 -- PENSION PLAN(S)

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to The South Carolina Retirement System, PO Box 11960, Columbia, South Carolina 29211. Furthermore, the Retirement System and the four pension plans are included in the CAFR of the State of South Carolina.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for the South Carolina Retirement System and the

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 7 -- PENSION PLAN(S)-continued

Police Officers Retirement System are actuarially determined. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

South Carolina Retirement System

The majority of employees of the College are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

Since July 1, 1988 to June 30, 2005 employees participating in the SCRS were required to contribute 6.0 percent of all compensation. On July 1, 2005, the required employee contribution increased to 6.25 percent. On July 1, 2006, the required employee contribution increased to 6.50 percent. Effective July 1, 2007, the employer contribution rate became 12.48 percent which included a 3.42 percent surcharge to fund retiree health and dental insurance coverage. The College's actual contributions to the SCRS for the most recent fiscal years ending June 30, 2009, 2008, 2007, and 2006, were \$1,283,977, \$1,237,825, \$956,966, and \$906,917, respectively, and equaled the required contributions of 7.55 percent (excluding the surcharge) for fiscal year 2006, 8.05 percent(excluding the surcharge) for fiscal year 2007, 9.06 percent (excluding the surcharge) for fiscal year 2008 and 9.24%(excluding the surcharge) for fiscal year 2009. Also, the College paid employer group-life insurance contributions of \$20,844 in fiscal year 2009 and \$20,494 in fiscal year 2008 at the rate of .15 percent of compensation.

Police Officers Retirement System

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Since July 1, 1988, employees participating in the PORS have been required to contribute 6.5 percent of all compensation.

Effective July 1, 2007, the employer contribution rate became 13.72 percent which, as for the SCRS, included the 3.42 percent surcharge. The College's actual contributions to the PORS for the fiscal years ending June 30, 2009, 2008, 2007 and 2006 were \$10,983, \$8,340, \$7,127 and \$5,886 respectively, and equaled the required contributions of 10.65% for fiscal year 2009 and 10.3 percent (excluding the surcharge) for the prior fiscal years. Also, the College paid employer group-life insurance contributions of \$206 in fiscal year 2009 and \$162 in fiscal year 2008 and accidental death insurance contributions of \$206 in fiscal year 2009 and \$162 in fiscal year 2008 for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

NOTE 7 -- PENSION PLAN(S)-continued

Optional Retirement Program

The State Optional Retirement Program (State ORP) was first established as the Optional Retirement Program for Higher Education in 1987. In its current form, the State ORP is an alternative to the defined benefit SCRS plan offered to certain state, public school and higher education employees of the State. The State ORP, which is administered by the South Carolina Retirement Systems, is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by investment providers. The State assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers and are governed by the terms of the contracts issued by them. Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.24 percent plus the retiree surcharge of 3.50 percent from the employer in fiscal year 2009. Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.06 percent plus the retiree surcharge of 3.42 percent from the employer in fiscal year 2008. Employees are eligible for group-life insurance benefits while participating in the State ORP. However, employees who participate in the State ORP are not eligible for postretirement group-life insurance benefits. For fiscal year 2009, total contribution requirements to the ORP were \$91,908 (excluding the surcharge) from the College as employer and \$140,897 from its employees as plan members. For fiscal year 2008, total contribution requirements to the ORP were \$79,588 (excluding the surcharge) from the College as employer and \$127,419 from its employees as plan members. In addition, the College paid to the SCRS employer group-life insurance contributions of \$3,251 in fiscal year 2009 and \$2,940 in fiscal year 2008 at the rate of .15 percent of compensation.

Deferred Compensation Plans

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the College have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Teacher and Employee Retention Incentive

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2005, employees who choose to participate in the TERI Program will be required to make SCRS contributions. Due to the South Carolina Supreme Court decision in *Layman et al v. South Carolina Retirement System and the State of South Carolina*, employees who chose to participate in the TERI Program, prior to July 1, 2005 will not be required to make SCRS contributions. SCRS employer contribution will increase by .26% effective July 1, 2008.

NOTE 8 – POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS

a. Plan Description

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. “Agency” contributes to the Retiree Medical Plan (RMP) and the Long-term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

b. Funding Policies

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 3.50%, 3.42% and 3.35% of annual covered payroll for 2009, 2008 and 2007, respectively. The EIP sets the employer contribution rate based on a pay-as-you-go basis. Tri-County Technical College recorded benefit expenses for these insurance benefits (health and dental) for active employees in the amount of \$1,329,118 for the year ended June 30, 2009 and \$1,058,941 for the year ended June 30, 2008. As discussed in Note 7, the College paid \$486,355 applicable to the 3.50 percent surcharge included with the employer contributions for retirement benefits in fiscal year 2009 and \$467,258 applicable to the 3.42 percent surcharge included with the employer contributions for retirement benefits in fiscal year 2008. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Office of Insurance Services for retiree health and dental insurance benefits.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, SC 29201.

NOTE 9 -- CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

The College is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of College management, there are no material claims or lawsuits against the College that are not covered by insurance or whose settlement would materially affect the College’s financial position.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 9 -- CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS-Continued

The College participates in certain Federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

Necessary funding has been obtained for the acquisition, construction, renovation, and equipping of certain facilities, which were capitalized in the applicable capital asset categories during fiscal year end 2009. Other capital projects, which are not capitalized when completed, are for replacements, repairs, and/or renovation to existing facilities.

At June 30, 2009, the College began the process of preparing for the construction of the Easley campus Occupational Center building. The costs are recorded in the asset, Construction in Progress until completion of the project.

The College anticipates funding this project out of current resources.

<u>Project Name and Number</u>	<u>Total Project Cost</u>	<u>Expenditures Through June 30, 2009</u>
TCTC Easley Occupational Center	\$ 8,567,200	\$ 36,809

Construction contracts have not been awarded as of June 30, 2009. They will be awarded end of August 2009.

During fiscal year end 2008 necessary funding has been obtained for the acquisition, construction, renovation, and equipping of certain facilities, which were capitalized in the applicable capital asset categories. Other capital projects, which are not capitalized when completed, are for replacements, repairs, and/or renovation to existing facilities.

The College was appropriated \$6,067,200 by the SC General Assembly for the construction of an occupational building. The funds will come from the Capital Reserve Fund for fiscal year 2007. The College has not begun construction. However, the Comptroller General's Office mandated that the funds be counted as revenue to the College in fiscal year 2008(the fiscal year the funds were appropriated).

At June 30 2008, the College had no remaining commitment balances.

NOTE 10 -- LEASE OBLIGATIONS

For fiscal year ending June 30, 2009, Tri-County Technical College has Operating leases and three (3) capital lease obligations. Current year operating lease expenses were \$332,728. The following are the operating lease obligations of the College:

<u>Year Ended June 30,</u>	<u>Operating leases with external parties</u>
2010	\$ 315,602
2011	\$ 170,497
2012	\$ 23,370
2013	-0-

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 10 -- LEASE OBLIGATIONS—continued

The College also rents certain office equipment based on usage. The current year expense for these contingent rentals was \$46,094.

The College returned one piece of leased mail-room equipment but retained the other equipment that was included in the original capital lease. The returned asset with corresponding accumulated depreciation and lease payment were removed. The remaining equipment has two years left on the lease. The maintenance agreement for the equipment is expensed. The current year maintenance agreement expense was \$3,789.

The College acquired a five-year capital lease during fiscal year 2008. The financing portion was the present value of \$334,412 with an implicit interest rate of 3.410%. The maintenance agreement for the equipment is expensed as well as the portion based on usage identified as contingent rentals. The current year expense for contingent rental was \$23,602 and the maintenance agreement expense was \$6,133.

The College acquired a nineteen-year capital lease from TCTC Foundation during fiscal year 2007. The financing portion was the present value of \$8,000,000 with an implicit interest rate of 4.08%. Maintenance and operational costs for the building are expensed.

The following is the capital lease obligations of the College:

Year Ended	Capital leases with external parties
June 30,	
2010	692,077
2011	694,020
2012	686,788
2013	614,492
2014-2018	3,071,636
2019-2023	3,079,880
2024-2025	<u>1,236,808</u>
TOTAL	\$10,075,701
Less: Interest	<u>2,732,680</u>
Present value of net minimum lease payments	<u>\$ 7,343,021</u>

	Capital leases with external parties
Assets acquired under capital lease:	
Machinery, equipment and other	\$377,236
Anderson Campus building	<u>8,000,000</u>
Total assets acquired under capital lease	\$8,377,236
Less: accumulated depreciation	<u>(1,431,178)</u>
Assets acquired under capital leases, net	<u>\$6,946,058</u>

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 10 -- LEASE OBLIGATIONS—continued

For fiscal year ending June 30, 2008, Tri-County Technical College has operating leases and three (3) capital lease obligations. Current year operating lease expenses were \$320,625. The following are the operating lease obligations of the College:

Year Ended <u>June 30,</u>	Operating leases <u>with external parties</u>
2009	\$296,039
2010	\$171,933
2011	\$ 26,828
2012	\$ 23,370
2013	-0-

The College also rents certain office equipment based on usage. The current year expense for these contingent rentals was \$33,552.

The College acquired a five-year capital lease during fiscal year 2005. The financing portion was the present value of \$200,000 with an implicit interest rate of 3.410%. At the beginning of the current fiscal year, the leased equipment was replaced with a newer model. The \$200,000 asset with corresponding accumulated depreciation and lease payment were removed. The new equipment is leased for five years. The financing portion was the present value of \$334,412 with an implicit interest rate of 3.410%. The maintenance agreement for the equipment is expensed as well as the portion based on usage identified as contingent rentals. The current year expense for contingent rental was \$16,489 and the maintenance agreement expense was \$6,133.

The College acquired a five-year capital lease during fiscal year 2006. The financing portion was the present value of \$72,726 with an implicit interest rate of 4.0%. The maintenance agreement for the equipment is expensed. The current year expense for the maintenance agreement was \$5,051.

The College acquired a nineteen-year capital lease from TCTC Foundation during fiscal year 2007. The financing portion was the present value of \$8,000,000 with an implicit interest rate of 4.08%. Maintenance and operational costs for the building are expensed.

The following is the capital lease obligations of the College:

Year Ended <u>June 30,</u>	Capital leases with external parties
2009	699,156
2010	701,712
2011	703,656
2012	686,788
2013	614,492
2014-2018	3,071,636
2019-2023	3,066,127
2024-2025	<u>1,236,808</u>
TOTAL	\$10,780,375
Less: Interest	<u>3,047,187</u>
Present value of net minimum lease payments	<u>\$7,733,188</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 10 -- LEASE OBLIGATIONS—continued

	<u>June 30, 2008</u>
	Capital leases with external parties
Assets acquired under capital lease:	
Machinery, equipment and other	\$407,138
Anderson Campus building	<u>8,000,000</u>
Total assets acquired under capital lease	\$8,407,138
Less: accumulated depreciation	<u>(956,276)</u>
Assets acquired under capital leases, net	<u>\$7,450,862</u>

NOTE 11 -- BONDS PAYABLE

The College completed its general bond obligation during fiscal year ending June 30, 2009. Therefore, there was no bond obligation at June 30, 2009.

	<u>Rates</u>	<u>Dates</u>	<u>Balance</u>
State Institution Bonds			
Issued April 1998	5%	1998-2009	\$ -0-
Total			<u>\$ -0-</u>

State institution bonds are general obligation bonds of the State backed by the full faith, credit, and taxing power of the State. Tuition revenue is pledged up to the amount of annual debt requirements for the payment of principal and interest on state institution bonds. The legal debt margin for state institution bonds is that the maximum amount of annual debt service shall not exceed ninety percent of the sums received from tuition and fees for the preceding fiscal year.

Tuition bond fees for the preceding year were \$1,333,127 which results in a legal annual debt service at June 30, 2009 of \$1,199,814. The annual debt service payments for the fiscal year ended June 30, 2009 were \$735,000 which paid the bonds in full.

Bonds Payable: Bonds payable consisted of the following at June 30, 2008:

	<u>Rates</u>	<u>Dates</u>	<u>Balance</u>
State Institution Bonds			
Issued April 1998	5%	1998-2009	\$ 700,000
Total			<u>\$ 700,000</u>

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 11 -- BONDS PAYABLE-continued

State institution bonds are general obligation bonds of the State backed by the full faith, credit, and taxing power of the State. Tuition revenue is pledged up to the amount of annual debt requirements for the payment of principal and interest on state institution bonds. The legal debt margin for state institution bonds is that the maximum amount of annual debt service shall not exceed ninety percent of the sums received from tuition and fees for the preceding fiscal year.

Tuition bond fees for the preceding year were \$1,162,114 which results in a legal annual debt service at June 30, 2008 of \$1,045,903. The annual debt service payments for the fiscal year ended June 30, 2008 were \$733,250.

The scheduled maturities of the bonds payable are as follows:

State Institution Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2009	700,000	35,000	735,000
2010	-0-	-0-	-0-
Total	<u>\$ 700,000</u>	<u>\$ 35,000</u>	<u>\$ 735,000</u>

NOTE 12 -- LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2009</u>	<u>Due Within One Year</u>
Bonds Payable					
State Institution Bonds	\$ 700,000	\$ -	\$ 700,000	\$ -	\$ -
Capital Lease Payable	7,733,188	-	390,167	7,343,021	320,000
Accrued Compensated Absences	1,136,245	187,564	80,196	1,243,613	124,361
Total Long-term Liabilities	<u>\$ 9,569,433</u>	<u>\$ 187,564</u>	<u>\$ 1,170,363</u>	<u>\$ 8,586,634</u>	<u>\$ 444,361</u>

Additional information regarding Bonds Payable is included at Note 11 and Lease Payable in Note 10

Long-term liability activity for the year ended June 30, 2008 was as follows:

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2008</u>	<u>Due Within One Year</u>
Bonds Payable					
State Institution Bonds	\$ 1,365,000	\$ -	\$ 665,000	\$700,000	\$ 700,000
Capital Lease Payable	7,876,571	334,412	477,795	7,733,188	351,197
Accrued Compensated Absences	1,269,254	133,408	266,417	1,136,245	113,624
Total Long-term Liabilities	<u>\$10,510,825</u>	<u>\$ 467,820</u>	<u>\$ 1,409,212</u>	<u>9,569,433</u>	<u>\$ 1,164,821</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 13 -- RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

Certain separately chartered legal entities whose activities are related to those of the College exist primarily to provide financial assistance and other support to the College and its educational program. Financial statements for these entities are audited by independent auditors and retained by them. They include the Tri-County Technical College Foundation.

Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14, as amended by GASB Statement No. 39. Because of the nature and the significance of its relationship with the College, the Foundation is considered a component unit of the College.

The Foundation reimburses the College for any purchases of goods and services made by the College on behalf of the Foundation. The Foundation reimburses the College for office space and support services provided to the Foundation. The College considers the Foundation a third-party sponsor when scholarships are granted to students.

The following is a list of payments the College received from the Foundation as of June 30, 2009.

Scholarships and Educational Support	\$981,545
Office Space and Support	51,784

College payments to the foundation:

Lease payment	\$601,718
---------------	-----------

As of June 30, 2009 a total of \$33,533 is included in accounts receivable for the College and accounts payable for the Foundation.

The following is a list of payments the College received from the Foundation as of June 30, 2008.

Scholarships and Educational Support	\$927,624
Office Space and Support	51,784

College payments to the foundation:

Lease payment	\$607,940
---------------	-----------

As of June 30, 2008 a total of \$22,423 is included in accounts receivable for the College and accounts payable for the Foundation.

More detailed discussion of the Foundation can be found in Note 17.

NOTE 14 -- RISK MANAGEMENT

The College is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 14 -- RISK MANAGEMENT-continued

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several State funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

Unemployment compensation benefits
 Worker's compensation benefits for job-related illnesses or injuries
 Health and dental insurance benefits
 Long-term disability and group-life insurance benefits
 Employees elect health insurance coverage through either a
 Health maintenance organization or through the State's self-insured plan.

The College and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to the following activities:

Theft, damage to, or destruction of assets
 Real property, its contents, and other equipment
 Motor vehicles and watercraft
 Torts Natural disasters
 Medical malpractice claims against the Infirmary

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

The College obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation.

NOTE 15 -- OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2009 are summarized as follows:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Resale</u>	<u>Supplies/ Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$11,288,464	\$2,794,244				\$2,925,984		\$17,008,692
Academic								
Support	1,843,639	512,110				416,326		\$2,772,075
Student Services	2,757,637	801,210				2,570,804		\$6,129,651
Operation and Maintenance of Plant	557,984	187,627		\$817,889		1,949,416		\$3,512,916
Institutional Support	1,998,399	553,272				326,394		\$2,878,065
Scholarships			\$4,948,979					\$4,948,979
Auxiliary Enterprises	168,066	47,635			\$3,294,512	196,288		\$3,706,501
Depreciation							\$3,026,719	\$3,026,719
Total Operating Expenses	\$18,614,189	\$4,896,098	\$4,948,979	\$817,889	\$3,294,512	\$8,385,212	\$3,026,719	\$43,983,598

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 15 -- OPERATING EXPENSES BY FUNCTION-continued

Operating expenses by functional classification for the year ended June 30, 2008 are summarized as follows:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Resale</u>	<u>Supplies/ Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$11,053,688	\$2,699,554				\$3,255,383		\$17,008,625
Academic								
Support	1,767,496	484,468				413,642		\$2,665,606
Student Services	2,522,835	690,912				1,739,334		\$4,953,081
Operation and Maintenance of Plant	562,729	189,445		\$731,931		2,600,103		\$4,084,208
Institutional Support	1,748,528	477,430				318,165		\$2,544,123
Scholarships			\$3,505,098					\$3,505,098
Auxiliary Enterprises	149,523	42,721			\$2,687,798	264,116		\$3,144,158
Depreciation							\$2,545,300	\$2,545,300
Total Operating Expenses	<u>\$17,804,799</u>	<u>\$4,584,530</u>	<u>\$3,505,098</u>	<u>\$731,931</u>	<u>\$2,687,798</u>	<u>\$8,590,743</u>	<u>\$2,545,300</u>	<u>\$40,450,199</u>

NOTE 16 -- BUSINESS TYPE ACTIVITIES

REQUIRED INFORMATION ON BUSINESS-TYPE ACTIVITIES FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES <u>FISCAL YEAR ENDING JUNE 30</u>			
	<u>2009</u>	<u>2008</u>	<u>Increase/ Decrease</u>
Charges for services	\$33,532,867	\$28,318,488	\$5,214,379
Non-operating grants and contributions	4,917,564	5,296,405	(378,841)
Capital grants and contributions	1,556,166	7,495,937	(5,939,771)
Less: expenses	(44,330,482)	(40,846,100)	(3,484,382)
Net program revenue (expense)	<u>(4,323,885)</u>	<u>264,730</u>	<u>(4,588,615)</u>
Transfers:			
State appropriations	<u>7,566,955</u>	<u>9,773,387</u>	<u>(2,206,432)</u>
Total transfers	<u>7,566,955</u>	<u>9,773,387</u>	<u>(2,206,432)</u>
Change in net assets	3,243,070	10,038,117	(6,795,047)
Net assets-beginning	<u>44,765,155</u>	<u>34,727,038</u>	<u>10,038,117</u>
Net assets-ending	<u>\$48,008,225</u>	<u>\$44,765,155</u>	<u>\$3,243,070</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 16 -- BUSINESS TYPE ACTIVITIES-continued

REQUIRED INFORMATION ON BUSINESS-TYPE ACTIVITIES FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES <u>FISCAL YEAR ENDING JUNE 30</u>			
	<u>2008</u>	<u>2007</u>	<u>Increase/ Decrease</u>
Charges for services	\$28,318,488	\$24,060,061	\$4,258,427
Non-operating grants and contributions	5,296,405	4,657,650	638,755
Capital grants and contributions	7,495,937	2,525,372	4,970,565
Less: expenses	<u>(40,846,100)</u>	<u>(37,676,125)</u>	<u>(3,169,975)</u>
Net program revenue (expense)	<u>264,730</u>	<u>(6,433,042)</u>	<u>6,697,772</u>
Transfers:			
State appropriations	<u>9,773,387</u>	<u>8,868,517</u>	<u>904,870</u>
Total transfers	<u>9,773,387</u>	<u>8,868,517</u>	<u>904,870</u>
Change in net assets	10,038,117	2,435,475	7,602,642
Net assets-beginning	<u>34,727,038</u>	<u>32,291,563</u>	<u>2,435,475</u>
Net assets-ending	<u>\$44,765,155</u>	<u>\$34,727,038</u>	<u>\$10,038,117</u>

NOTE 17 – COMPONENT UNIT INFORMATION

NATURE OF OPERATIONS

Tri-county Technical College Foundation, Inc. (the “Foundation”), a nonprofit organization incorporated in the State of South Carolina, supports the advancement of Tri-County Technical College (the “College”) in its objectives for scientific, educational, and charitable purposes. The four classes of programs used to achieve the Foundation’s objectives are:

Scholarship Program – benefits eligible students who attend the College.

Technology Program – supports the physical equipment needs of the College.

Professional Development Program – supports the skill enhancement of the College’s faculty and staff.

Priority Needs Program – funds projects of the College as identified by the College’s management.

Tri-County Technical College Foundation, LLC (the “LLC”), a South Carolina limited liability company and a “disregarded entity” for federal income tax purposes, is a wholly-owned subsidiary of Tri-County Technical College Foundation, Inc. The LLC was created on March 18, 2005 as a real estate holding company for the construction of the Anderson, South Carolina campus of Tri-County Technical College.

NOTE 17 – COMPONENT UNIT INFORMATION-continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Tri-County Technical College Foundation, Inc. and its wholly-owned subsidiary, Tri-County Technical College Foundation, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting

The financial statements are presented on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. Revenues are recognized when earned; expenses are recorded as incurred.

Financial Statement Presentation

Under Statement of Financial Accounting Standards (SFAS) No. 117, “Financial Statements of Not-for-Profit Organizations,” the Foundation reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted – Net assets with no donor-imposed restrictions.

Temporarily Restricted – Net assets subject to donor-imposed restrictions that may be met either by actions of the Foundation or the passage of time.

Permanently Restricted – Net assets subject to donor-imposed restrictions that are to be maintained permanently by the Foundation, including contributions for endowments.

Contributions

Under SFAS No. 116, “Accounting for Contributions Received and Contributions Made,” contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers all liquid, non-equity instruments with remaining original maturity of three months or less to be cash equivalents. Money market funds awaiting reinvestment are not considered cash equivalents.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 17 – COMPONENT UNIT INFORMATION-continued

Investments

Investments in marketable securities with readily determinable fair market values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Pledges and Accounts Receivable

Pledges receivable consist of unconditional promises to give that have met the criteria for recording as contributions. Pledges extending beyond one year are recorded at the present value of the expected future cash flows, using risk-adjusted discount rates derived from observed returns for comparable assets. Student loans receivable consist of amounts on loan to students of the College. Such loans were made from contributions received from the Scurry Foundation and the Bradford Foundation. The Foundation uses the allowance method to recognize the effect of pledges and accounts receivable deemed to be uncollectible. No allowance was recorded at June 30, 2009 or 2008.

Property, Plant and Equipment

The Foundation capitalizes all property and equipment acquisitions exceeding \$1,000. Purchased property and equipment is capitalized at cost. Property and equipment are depreciated over their estimated useful lives using the straight-line method of depreciation.

Donated Material, Equipment, Services and Supplies

Donated materials and equipment are recorded as contributions at their estimated fair market value at the date of donation. Donated services are not recorded as contributions unless they meet the criteria for recognition as contributed services.

Income Taxes

The Foundation is a charitable organization as described in Section 501(c)3 of the Internal Revenue Code and is exempt from federal and state income taxes. In addition, it has been determined by the Internal Revenue Service that the Foundation is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and is, therefore, not subject to federal excise taxes.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the statement of financial position and the reported amounts of revenues and expenses for the operating period. Actual results could differ significantly from those estimates.

Reclassifications

Certain 2008 amounts have been reclassified to conform to the 2009 classifications. These reclassifications had no effect on the change in net assets.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 17 – COMPONENT UNIT INFORMATION-continued

PLEDGES RECEIVABLE

Pledges receivable at June 30, 2009 and 2008 consist of the following:

	June 30,	
	2009	2008
Unconditional Promises to Give	\$ 414,344	\$ 200,321
Less Unamortized Discount	(27,464)	(16,825)
Net Unconditional Promises to Give	\$ 386,880	\$ 183,496
Amounts due in:		
Less than one year	\$ 191,366	\$ 72,783
One to five years	222,978	127,538
	\$ 414,344	\$ 200,321

Pledges receivable at June 30, 2009 and 2008 are reflected at the present value of estimated future cash flows using discount rates of 3.49% and 3.979%, respectively.

INVESTMENTS

The Foundation has established four separate endowments (Scholarship, Technology, Professional Development, and Priority Needs). The endowments have separate purposes and uses, but maintain the overall theme of supporting and expanding the programs of education of Tri-County Technical College.

Investment assets consist of funds held in trust by the Commonfund, a non-profit membership corporation operated by and for its member college, university and independent schools. Participation in the Commonfund is limited to members in the fund. Members elect the governing Board of Trustees. The Commonfund offers a series of pooled investment funds, which are not separate legal entities and are exempt from registration under securities laws. Accounts of participants are stated in units, the initial cost of which is \$1,000. Thereafter, the value of each unit is based on the fair market value of all the assets in the fund(s) calculated in a manner prescribed by the Board of Trustees.

The Commonfund uses a variety of investment tools to accomplish its goal of earning a reasonable return for its members while mitigating risk. In general, securities for which there is an active market are stated at fair market value. Securities for which there is no sales price or bid/ask price are stated at fair value as determined by the custodian of the fund or, in the case of investment partnerships, the most recent valuation data as reported by the general partners or managers.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 17 – COMPONENT UNIT INFORMATION-continued

The Foundation's investments at June 30, 2009 and 2008 were as follows:

	June 30,	
	2009	2008
Long-term Investments	\$ 11,912,590	\$ 15,236,088
Short-term Investments	120,912	1,097,289
Total Investments	\$ 12,033,502	\$ 16,333,377
Limited Partnership Interests Included in Long-term Investments	\$ 1,270,305	\$ 1,911,699
Bond and Equity Investments - Fair Market Value	\$ 10,642,285	\$ 13,324,418
Bond and Equity Investments - Cost	7,626,770	7,626,770
Unrealized Gains	\$ 3,015,515	\$ 5,697,648

The Foundation subscribed to and maintains interests in six restricted limited partnerships. The Foundation is restricted by the partnership agreements from divesting its interests without approval from the general partners. The Foundation bears all risks of investment in the partnerships for their duration, a date no later than June 30, 2020. The Foundation's subscription commitments total \$2,124,205 and range from \$230,000 to \$540,000 for each partnership. As of June 30, 2009, the Foundation's remaining commitments to the partnerships totaled \$256,203.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, held in the LLC, consist of the following at June 30, 2009 and 2008:

	June 30,	
	2009	2008
Land	\$ 1,947,067	\$ 1,947,067
Building	6,303,247	6,303,247
Signs	2,459	2,459
	8,252,773	8,252,773
Less Accumulated Depreciation	(371,691)	(209,645)
	\$ 7,881,082	\$ 8,043,128

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 17 – COMPONENT UNIT INFORMATION-continued

BOND PAYABLE

The Foundation issued on August 25, 2005 an economic revenue bond through the South Carolina Jobs-Economic Development Authority in the amount of \$8,000,000. The bond, which bears interest at 4.080% per annum, requires annual payments in varying amounts approximating \$605,000 through its maturity date of January 1, 2025. Proceeds of the bond were used to purchase land and construct the 45,000 square foot building that houses the Anderson, South Carolina campus of Tri-County Technical College. Construction of the building was completed during the year ended June 30, 2007. Bond payments are made from rental income the College pays to the Foundation.

Annual principal and interest requirements for the bond at June 30, 2009 were:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 320,000	\$ 283,968	\$ 603,968
2011	335,000	270,606	605,606
2012	350,000	256,632	606,632
2013	365,000	242,046	607,046
2014	380,000	226,848	606,848
2015 and Thereafter	5,370,000	1,294,176	6,664,176
	<u>\$ 7,120,000</u>	<u>\$ 2,574,276</u>	<u>\$ 9,694,276</u>

ENDOWMENT CHALLENGE GRANTS

The Foundation is operating under two endowment challenge grants of \$500,000 and \$1,000,000 (50% from the United States Department of Education and 50% in matched private funds). The Foundation is prohibited under terms of the grants from encroaching upon the principal or 50% of the aggregate income earned from the endowment principal for the duration of the twenty-year grant period. At the end of the grant period, the Foundation may use the endowment funds for specific educational purposes.

<u>Award Periods</u>	<u>PR Award Number</u>	<u>Grant Award</u>	<u>Foundation Match</u>	<u>Total</u>
7/1/1989 – 6/30/2009	433J8870A150	\$ 250,000	\$ 250,000	\$ 500,000
4/1/1994 – 3/31/2014	433J7720A179	\$ 500,000	\$ 500,000	\$ 1,000,000

RELATED PARTY TRANSACTIONS

The Foundation supports many projects of Tri-County Technical College. Predominantly all revenues raised and expenditures disbursed are for the benefit of the College. During the years ended June 30, 2009 and 2008, the Foundation recognized \$601,718 and \$603,958, respectively, in rental income from the College related to its Anderson, South Carolina campus. During the years ended June 30, 2009 and 2008, the Foundation provided scholarships to students of the College totaling \$422,512 and \$380,323, respectively,

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 17 – COMPONENT UNIT INFORMATION-continued

and provided educational support totaling \$559,033 and \$547,301, respectively. Several employees of the College perform services for the Foundation. The Foundation reimburses the College for a portion of the salaries and occupancy costs related to the employees that perform such services. During the years ended June 30, 2009 and 2008, the Foundation recognized \$100,265 and \$174,530, respectively, for administrative costs. At June 30, 2009 and 2008, \$33,533 and \$22,423, respectively, were recorded as payable to the College.

RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets totaled \$1,816,729 and \$5,390,572 at June 30, 2009 and 2008, respectively, and carried a variety of purpose and time restrictions.

Permanently restricted net assets were available for the following purposes at June 30, 2009 and 2008:

	June 30,	
	2009	2008
Technology	\$ 866,624	\$ 863,362
Scholarships	4,959,004	4,724,327
Priority Needs	1,460,411	1,302,360
Professional Development	2,350,267	2,317,717
	\$ 9,636,306	\$ 9,207,766

CONCENTRATIONS

Financial instruments consist principally of cash, pledges receivable, investments, and bond payable.

At June 30, 2009, the Foundation had investments totaling \$12,033,502 that were subject to normal declines in value due to market conditions. In addition, the Foundation may, at times, carry balances of cash in financial institutions in excess of federally insured limits.

NOTE 18 – TRANSACTIONS WITH OTHER SC Higher Education Institutions

This note is optional since colleges are required to report information separately to Mandy Kibler by August 15, 2009.

The College had significant transactions with the State of South Carolina and various agencies.

Services received at no cost from State agencies include maintenance of certain accounting records by the Comptroller General; bond trustee, and investment services from the State Treasurer; and legal services from the Attorney General.

Other services received at no cost from the various offices of the State Budget and Control Board include pension plan administration, insurance plans administration, grant services, personnel management, assistance in the preparation of the State Budget, review and approval of certain budget amendments, procurement services, and other centralized functions.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 – TRANSACTIONS WITH OTHER SC Higher Education Institutions-continued

The following is a schedule of payments to other higher education institutions for fiscal year ending 2009.

Research Institutions:	<u>Amount</u>	Technical Colleges:	<u>Amount</u>
Clemson	\$ 447,333	Greenville	47,467
		Midlands	1,330
		Piedmont	12,824
		Spartanburg	22,913
		York	2,338
Total payments to HE institutions	\$ 534,205		

Fiscal year ending 2008:

This note is optional since colleges are required to report information separately to Paul Magargle by August 15, 2008.

The College had significant transactions with the State of South Carolina and various agencies.

Services received at no cost from State agencies include maintenance of certain accounting records by the Comptroller General; bond trustee, and investment services from the State Treasurer; and legal services from the Attorney General.

Other services received at no cost from the various offices of the State Budget and Control Board include pension plan administration, insurance plans administration, grant services, personnel management, assistance in the preparation of the State Budget, review and approval of certain budget amendments, procurement services, and other centralized functions.

The following is a schedule of payments to other higher education institutions for fiscal year ending 2008.

Research Institutions:	<u>Amount</u>	Technical Colleges:	<u>Amount</u>
Clemson	\$ 305,254	Greenville	52,196
USC - (Includes all Branches)	5,388	Midlands	8,129
		Piedmont	1,918
		Spartanburg	14,129
		Trident	1,220
Total payments to HE institutions	\$ 388,234		

This page intentionally left blank.

Statistical Section Content Explanation
Tri-County Technical College

This section of the Tri-County Technical College (the “College”) Comprehensive Annual Financial Report presents information that will assist in understanding the information in the financial statements, note disclosures, and the required supplementary information about the overall financial health of the College.

Contents

Financial Trends

The Schedules in this section contain trend information to assist in understanding how the College’s financial performance and well-being have changed over time.

Revenue Capacity

The schedules in this section contain information to assess the College’s most significant revenue sources.

Debt Capacity

The schedules in this section present information that assess the affordability of the College’s current levels of outstanding debt and the ability of the College to issue additional debt in future years.

Demographic and Economic Information

The schedules in this section offer demographic and economic indicators to assist in understanding the environment within the College’s financial activities occur.

Operating Information

The schedules in this section contain service and infrastructure data to assist in understanding how the information in the College’s financial report relates to the services it provides and the activities it performs.

Other Information

The schedules in this section are additional information that is not required by GASB 44 Statement but is of interest to those reading the report.

This page intentionally left blank.

Tri-County Technical College
Schedule of Net Assets and Changes in Net Assets
Fiscal Years 2002 to 2009

Schedule 1

	For the Year Ended June 30,								
	2002	2003	2004	2005	2006	2007	2008	2009	
Income Before Other Revenues, Expenses, Gains or Losses	\$ (284,207)	\$ 51,600	\$ 1,810,899	\$ 544,727	\$ 1,636,262	\$ (89,897)	\$ 2,542,180	\$ 656,245	
Federal capital appropriations	\$ 116,833	\$ 112,211	\$ 117,097	\$ 8,804	\$ -	\$ 32,492	\$ 147,986	\$ -	
State capital appropriations	\$ 41,942	\$ 6,250	\$ -	\$ -	\$ -	\$ 1,037,655	\$ 6,366,135	\$ 302,540	
Local capital appropriations	\$ 675,000	\$ 675,000	\$ 1,019,501	\$ 1,636,251	\$ 1,188,750	\$ 1,455,225	\$ 957,562	\$ 1,246,913	
Gain non disposal of leased asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,254	\$ 6,713	
Proceeds from State Capital Improvement Bonds	\$ 2,496,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total increase in net assets	\$ 3,045,930	\$ 845,061	\$ 2,947,497	\$ 2,189,782	\$ 2,825,012	\$ 2,435,475	\$ 10,038,117	\$ 2,212,411	
Invested in capital assets, net of related debt	\$ 19,782,728	\$ 22,140,013	\$ 23,507,148	\$ 24,150,572	\$ 23,877,105	\$ 25,270,429	\$ 26,318,626	\$ 25,729,181	
Restricted for Expendable:									
Capital projects	\$ -	\$ 172,211	\$ 8,016	\$ 9,790	\$ 10,235	\$ 10,771	\$ 21,396	\$ 44,593	
Debt service	\$ 9,986	\$ 11,962	\$ 13,910	\$ 16,193	\$ 19,332	\$ 25,214	\$ 19,814	\$ 495	
Capital reserve fund							\$ 6,046,642	\$ 5,650,433	
Unrestricted	\$ 3,983,139	\$ 2,296,728	\$ 3,752,380	\$ 5,294,681	\$ 8,389,576	\$ 9,420,624	\$ 12,358,677	\$ 15,552,864	
Total College net assets	\$ 23,775,853	\$ 24,620,914	\$ 27,281,454	\$ 29,471,236	\$ 32,296,248	\$ 34,727,038	\$ 44,765,155	\$ 46,977,566	

Note: Due to reporting format and definition changes prescribed by GASB Statement 34 and 35, only fiscal years 2002-2009 are available.

Source: Tri-County Technical College Audited Financial Statements

Tri-County Technical College
Schedule of Expenses by Function
Fiscal Years 2002 to 2009

Schedule 2

For the Year Ended June 30,

Expenses:	2002	2003	2004	2005	2006	2007	2008	2009
Instruction	\$ 11,039,557	\$ 12,160,352	\$ 11,681,904	\$ 12,972,599	\$ 13,897,292	\$ 14,965,567	\$ 17,008,625	\$ 17,008,692
Academic Support	\$ 2,260,140	\$ 2,049,966	\$ 1,935,055	\$ 1,808,853	\$ 2,231,549	\$ 2,453,552	\$ 2,665,606	\$ 2,772,075
Student Services	\$ 4,095,137	\$ 4,053,704	\$ 3,906,067	\$ 4,579,564	\$ 5,066,430	\$ 4,636,110	\$ 4,953,081	\$ 6,129,651
Operation and Maintenance of Plant	\$ 2,027,439	\$ 2,016,712	\$ 2,019,095	\$ 2,935,202	\$ 2,473,504	\$ 4,894,894	\$ 4,084,208	\$ 3,512,916
Institutional Support	\$ 2,231,263	\$ 2,502,236	\$ 2,358,069	\$ 2,389,285	\$ 2,429,604	\$ 2,654,282	\$ 2,544,123	\$ 2,878,065
Scholarships	\$ 1,233,499	\$ 2,245,120	\$ 2,161,024	\$ 2,430,505	\$ 2,485,774	\$ 2,906,153	\$ 3,505,098	\$ 4,948,979
Auxiliary Enterprises	\$ 1,531,590	\$ 1,813,543	\$ 1,937,530	\$ 2,191,638	\$ 2,334,125	\$ 2,635,338	\$ 3,144,158	\$ 3,706,501
Depreciation	\$ 1,004,053	\$ 1,070,006	\$ 1,593,790	\$ 1,793,189	\$ 1,691,262	\$ 2,260,354	\$ 2,545,300	\$ 3,026,719
Total Operating Expenses	\$ 25,422,678	\$ 27,911,639	\$ 27,592,534	\$ 31,100,835	\$ 32,609,540	\$ 37,406,250	\$ 40,450,199	\$ 43,983,598
Interest on capital asset-related debt	\$ 234,500	\$ 210,250	\$ 184,750	\$ 161,279	\$ 136,804	\$ 269,875	\$ 395,901	\$ 346,884
Total Expenses	\$ 25,657,178	\$ 28,121,889	\$ 27,777,284	\$ 31,262,114	\$ 32,746,344	\$ 37,676,125	\$ 40,846,100	\$ 44,330,482

For the Year Ended June 30,
(percentage of total)

Expenses:	2002	2003	2004	2005	2006	2007	2008	2009
Instruction	43.0%	43.2%	42.1%	41.5%	42.4%	39.7%	41.6%	38.4%
Academic Support	8.8%	7.3%	7.0%	5.8%	6.8%	6.5%	6.5%	6.3%
Student Services	16.0%	14.4%	14.1%	14.6%	15.5%	12.3%	12.1%	13.8%
Operation and Maintenance of Plant	7.9%	7.2%	7.3%	9.4%	7.6%	13.0%	10.0%	7.9%
Institutional Support	8.7%	8.9%	8.5%	7.6%	7.4%	7.0%	6.2%	6.5%
Scholarships	4.8%	8.0%	7.8%	7.8%	7.6%	7.7%	8.6%	11.2%
Auxiliary Enterprises	6.0%	6.4%	7.0%	7.0%	7.1%	7.0%	7.7%	8.4%
Depreciation	3.9%	3.8%	5.7%	5.7%	5.2%	6.0%	6.2%	6.8%
Total Operating Expenses	99.1%	99.3%	99.3%	99.5%	99.6%	99.3%	99.0%	99.2%
Interest on capital asset-related debt	0.9%	0.7%	0.7%	0.5%	0.4%	0.7%	1.0%	0.8%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Source: Tri-County Technical College Audited Financial Statements

Tri-County Technical College
Schedule of Expenses by Use
Fiscal Years 2002 to 2009

Schedule 3

	For the Year Ended June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses:								
Salaries	\$ 12,428,469	\$ 12,994,685	\$ 13,000,094	\$ 14,258,159	\$ 15,324,994	\$ 16,356,160	\$ 17,804,799	\$ 18,614,189
Benefits	\$ 3,143,579	\$ 3,097,703	\$ 3,172,549	\$ 3,447,403	\$ 3,698,377	\$ 4,049,917	\$ 4,584,530	\$ 4,896,098
Scholarships	\$ 1,233,499	\$ 2,245,120	\$ 2,161,024	\$ 2,430,505	\$ 2,485,774	\$ 2,906,153	\$ 3,505,098	\$ 4,948,979
Utilities	\$ 531,713	\$ 580,110	\$ 553,012	\$ 552,310	\$ 597,062	\$ 589,162	\$ 731,931	\$ 817,889
Supplies and Other Services	\$ 5,695,140	\$ 6,240,667	\$ 5,314,076	\$ 6,645,995	\$ 6,752,212	\$ 8,961,136	\$ 8,590,743	\$ 8,385,212
Auxiliary Resale Costs	\$ 1,386,225	\$ 1,683,348	\$ 1,797,989	\$ 1,973,274	\$ 2,059,856	\$ 2,283,368	\$ 2,687,798	\$ 3,294,512
Depreciation	\$ 1,004,053	\$ 1,070,006	\$ 1,593,790	\$ 1,793,189	\$ 1,691,262	\$ 2,260,354	\$ 2,545,300	\$ 3,026,719
Total Operating Expenses	\$ 25,422,678	\$ 27,911,639	\$ 27,592,534	\$ 31,100,835	\$ 32,609,537	\$ 37,406,250	\$ 40,450,199	\$ 43,983,598
Interest on capital asset-related debt	\$ 234,500	\$ 210,250	\$ 184,750	\$ 161,279	\$ 136,804	\$ 269,875	\$ 395,901	\$ 346,884
Total Expenses	\$ 25,657,178	\$ 28,121,889	\$ 27,777,284	\$ 31,262,114	\$ 32,746,341	\$ 37,676,125	\$ 40,846,100	\$ 44,330,482

	For the Year Ended June 30, (percentage of total)							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses:								
Salaries	48.4%	46.2%	46.8%	45.6%	46.8%	43.4%	43.6%	42.0%
Benefits	12.3%	11.0%	11.4%	11.0%	11.3%	10.7%	11.2%	11.0%
Scholarships	4.8%	8.0%	7.8%	7.8%	7.6%	7.7%	8.6%	11.2%
Utilities	2.1%	2.1%	2.0%	1.8%	1.8%	1.6%	1.8%	1.8%
Supplies and Other Services	22.2%	22.2%	19.1%	21.3%	20.6%	23.8%	21.0%	18.9%
Auxiliary Resale Costs	5.4%	6.0%	6.5%	6.3%	6.3%	6.1%	6.6%	7.4%
Depreciation	3.9%	3.8%	5.7%	5.7%	5.2%	6.0%	6.2%	6.8%
Total Operating Expenses	99.1%	99.3%	99.3%	99.5%	99.6%	99.3%	99.0%	99.2%
Interest on capital asset-related debt	0.9%	0.7%	0.7%	0.5%	0.4%	0.7%	1.0%	0.8%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Source: Tri-County Technical College Audited Financial Statements

Tri-County Technical College
Schedule of Revenues by Source,
Fiscal Years 2002 to 2009

Schedule 4

	For the Year Ended June 30,							
Revenues:	2002	2003	2004	2005	2006	2007	2008	2009
Student tuition and fees (net of scholarship allowances)	\$ 4,995,540	\$ 4,769,216	\$ 5,408,202	\$ 5,890,467	\$ 7,193,322	\$ 7,490,613	\$ 9,531,160	\$ 10,967,806
Federal grants and contracts	\$ 4,534,880	\$ 6,268,745	\$ 7,321,442	\$ 8,013,009	\$ 7,397,139	\$ 7,312,329	\$ 9,202,766	\$ 12,292,964
State grants and contracts	\$ 808,255	\$ 3,212,076	\$ 4,008,059	\$ 4,345,428	\$ 4,880,574	\$ 6,001,719	\$ 5,815,489	\$ 6,399,479
Nongovernmental grants and contracts	\$ 39,314	\$ 39,463	\$ 163,512	\$ 321,104	\$ 581,093	\$ 1,171,430	\$ 1,480,537	\$ 1,455,772
Auxiliary enterprises (net of book allowances)*	\$ 1,862,839	\$ 1,429,001	\$ 1,483,435	\$ 1,610,697	\$ 1,776,382	\$ 2,025,832	\$ 2,218,669	\$ 2,349,486
Other operating revenues	\$ 52,426	\$ 44,499	\$ 56,473	\$ 65,331	\$ 58,188	\$ 58,138	\$ 69,867	\$ 67,360
Total Operating Revenues	\$ 12,293,254	\$ 15,763,000	\$ 18,441,123	\$ 20,246,036	\$ 21,886,698	\$ 24,060,061	\$ 28,318,488	\$ 33,532,867
State appropriations	\$ 9,858,042	\$ 8,794,972	\$ 7,769,943	\$ 7,989,352	\$ 8,380,511	\$ 8,860,702	\$ 9,765,118	\$ 7,561,326
State appropriations-CHE	\$ 30,382	\$ 9,894	\$ 2,208	\$ 1,366	\$ 9,775	\$ 7,815	\$ 8,269	\$ 5,629
State appropriations-Deferred Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -
Local appropriations	\$ 2,818,591	\$ 2,818,591	\$ 2,914,879	\$ 2,950,250	\$ 3,012,282	\$ 3,188,682	\$ 3,370,371	\$ 3,530,344
Investment income	\$ 166,939	\$ 98,520	\$ 69,570	\$ 166,708	\$ 412,020	\$ 601,039	\$ 455,065	\$ 116,976
Federal grants and contracts	\$ 110,984	\$ 29,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants and contracts	\$ 80,461	\$ 70,606	\$ 76,029	\$ 78,910	\$ 89,523	\$ 371,392	\$ 869,351	\$ 550,710
Other nonoperating revenues	\$ 14,318	\$ 35,375	\$ 29,197	\$ 30,746	\$ 102,085	\$ 490,091	\$ 601,618	\$ 719,534
Gain on disposal of leased asset							\$ 24,254	\$ 6,713
State capital bond fund/Capital Reserve	\$ 2,496,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,067,200	\$ -
Federal capital grants and gifts	\$ 116,833	\$ 112,211	\$ 117,097	\$ 8,804	\$ -	\$ 32,492	\$ 147,986	\$ -
State capital grants and gifts	\$ 41,942	\$ 6,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriations-Lottery Technology	\$ -	\$ 553,296	\$ 285,234	\$ 343,473	\$ 291,301	\$ 294,465	\$ 298,935	\$ 302,540
State Research Infrastructure Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 98,408	\$ 743,190	\$ -	\$ -
Local capital appropriations	\$ 675,000	\$ 675,000	\$ 1,019,501	\$ 1,636,251	\$ 1,188,750	\$ 1,084,354	\$ 957,562	\$ 1,246,913
Total Nonoperating Revenues	\$ 16,409,854	\$ 13,203,950	\$ 12,283,658	\$ 13,205,860	\$ 13,684,655	\$ 15,674,222	\$ 22,565,729	\$ 14,040,685
Total Revenues	\$ 28,703,108	\$ 28,966,950	\$ 30,724,781	\$ 33,451,896	\$ 35,571,353	\$ 39,734,283	\$ 50,884,217	\$ 47,573,552

*Book allowances were not considered in 2002, the first year GASB 34 was implemented.

Source: Tri-County Technical College Audited Financial Statements

Note: Only fiscal years 2002-2009 are available due to implementation of GASB 34

Tri-County Technical College
Schedule of Revenues by Source,
Fiscal Years 2002 to 2009

Schedule 4
(continued)

Revenues:	For the Year Ended June 30, (percentage of total)							
	2002	2003	2004	2005	2006	2007	2008	2009
Student tuition and fees (net of scholarship allowances)	17.40%	16.46%	17.60%	17.61%	20.22%	18.85%	18.73%	23.05%
Federal grants and contracts	15.80%	21.64%	23.83%	23.95%	20.80%	18.40%	18.09%	25.84%
State grants and contracts	2.82%	11.09%	13.05%	12.99%	13.72%	15.10%	11.43%	13.45%
Nongovernmental grants and contracts	0.14%	0.14%	0.53%	0.96%	1.63%	2.95%	2.91%	3.06%
Auxiliary enterprises (net of book allowances)	6.49%	4.93%	4.83%	4.81%	4.99%	5.10%	4.36%	4.94%
Other operating revenues	0.18%	0.15%	0.18%	0.20%	0.16%	0.15%	0.14%	0.14%
Total Operating Revenues	42.83%	54.42%	60.02%	60.52%	61.53%	60.55%	55.65%	70.49%
State appropriations	34.34%	30.36%	25.29%	23.88%	23.56%	22.30%	19.19%	15.89%
State appropriations-CHE	0.11%	0.03%	0.01%	0.004%	0.03%	0.02%	0.02%	0.01%
State appropriations-Deferred Maintenance	-	-	-	-	0.28%	-	-	-
Local appropriations	9.82%	9.73%	9.49%	8.82%	8.47%	8.03%	6.62%	7.42%
Investment income	0.58%	0.34%	0.23%	0.50%	1.16%	1.51%	0.89%	0.25%
Federal grants and contracts	0.39%	0.10%	-	-	-	-	-	-
State grants and contracts	0.28%	0.24%	0.25%	0.24%	0.25%	0.93%	1.71%	1.16%
Other non-operating revenues	0.05%	0.12%	0.10%	0.09%	0.29%	1.23%	1.18%	1.51%
State capital bond fund/Capital Reserve	8.70%	-	-	-	-	-	-	-
Federal capital grants and gifts	0.41%	0.39%	0.38%	0.03%	-	-	-	-
State capital grants and gifts	0.15%	0.02%	-	-	-	-	-	-
State appropriations-Lottery Technology	-	1.91%	0.93%	1.03%	0.82%	0.74%	0.59%	0.64%
State Research Infrastructure Bond Proceeds	-	-	-	-	0.28%	1.87%	-	-
Local capital appropriations	2.35%	2.33%	3.32%	4.89%	3.34%	2.73%	1.88%	2.62%
Total Nonoperating Revenues	57.17%	45.58%	39.98%	39.48%	38.47%	39.45%	44.35%	29.51%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*Book allowances were not considered in 2002, the first year GASB 34 was implemented.

Source: Tri-County Technical College Audited Financial Statements

Note: Only fiscal years 2002-2009 are available due to implementation of GASB 34

South Carolina Public Two Year Institutions
Annual Tuition and Fees
Last Ten Academic Years

Schedule 5

(Alpha Order)

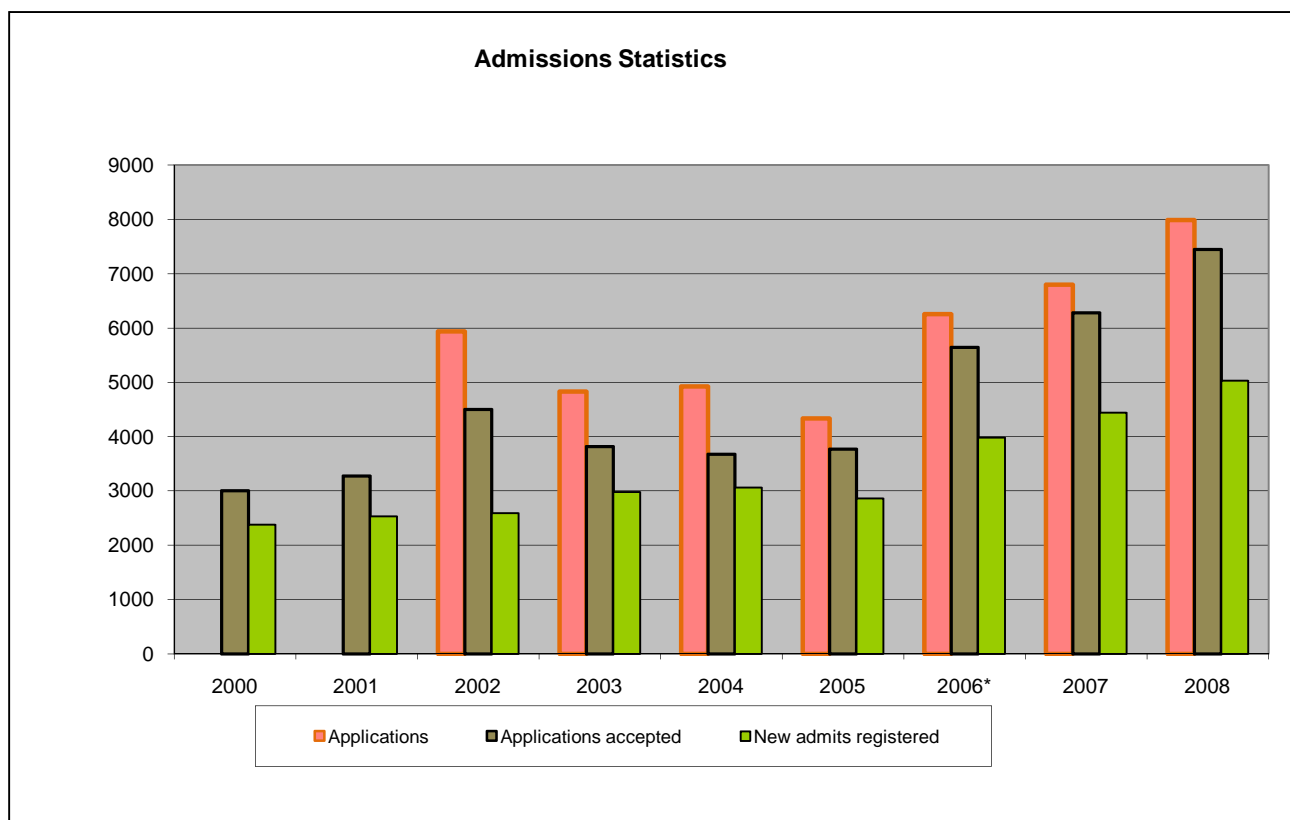
Technical Colleges	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
In-County										
Aiken	\$ 1,110	\$ 1,300	\$ 1,800	\$ 2,192	\$ 2,600	\$ 2,836	\$ 3,036	\$ 3,190	\$ 3,298	\$ 3,506
Central Carolina	\$ 1,038	\$ 1,200	\$ 1,700	\$ 2,092	\$ 2,500	\$ 2,500	\$ 2,700	\$ 2,900	\$ 2,920	\$ 3,020
Denmark	\$ 1,080	\$ 1,080	\$ 1,700	\$ 2,152	\$ 2,248	\$ 2,278	\$ 2,278	\$ 2,278	\$ 2,278	\$ 2,378
Florence-Darlington	\$ 1,320	\$ 1,500	\$ 1,720	\$ 2,112	\$ 2,976	\$ 2,986	\$ 3,026	\$ 3,190	\$ 3,190	\$ 3,190
Greenville	\$ 1,300	\$ 1,500	\$ 1,750	\$ 2,142	\$ 2,600	\$ 2,900	\$ 3,000	\$ 3,190	\$ 3,290	\$ 3,396
Horry-Georgetown	\$ 1,235	\$ 1,363	\$ 1,744	\$ 2,136	\$ 2,394	\$ 2,680	\$ 2,800	\$ 2,944	\$ 3,114	\$ 3,194
Midlands	\$ 1,300	\$ 1,396	\$ 1,800	\$ 2,192	\$ 2,836	\$ 2,908	\$ 3,004	\$ 3,100	\$ 3,244	\$ 3,360
Northeastern TC	\$ 1,100	\$ 1,225	\$ 1,705	\$ 2,092	\$ 2,346	\$ 2,346	\$ 2,526	\$ 2,646	\$ 2,982	\$ 3,270
Orangeburg-Calhoun	\$ 1,104	\$ 1,296	\$ 1,700	\$ 1,992	\$ 2,496	\$ 2,640	\$ 2,640	\$ 2,832	\$ 2,832	\$ 3,048
Piedmont	\$ 1,224	\$ 1,300	\$ 1,760	\$ 2,350	\$ 2,596	\$ 2,740	\$ 2,860	\$ 2,956	\$ 3,076	\$ 3,076
Spartanburg	\$ 1,300	\$ 1,400	\$ 1,740	\$ 2,132	\$ 2,660	\$ 2,806	\$ 2,902	\$ 3,094	\$ 3,194	\$ 3,314
TC of the Lowcountry	\$ 1,150	\$ 1,250	\$ 1,700	\$ 2,142	\$ 2,600	\$ 2,900	\$ 3,050	\$ 3,050	\$ 3,150	\$ 3,270
Tri County	\$ 1,100	\$ 1,200	\$ 1,800	\$ 2,022	\$ 2,450	\$ 2,546	\$ 2,738	\$ 2,856	\$ 2,976	\$ 3,060
Trident	\$ 1,140	\$ 1,300	\$ 1,700	\$ 2,092	\$ 2,446	\$ 2,688	\$ 2,950	\$ 3,114	\$ 3,220	\$ 3,330
Williamsburg	\$ 840	\$ 1,100	\$ 1,700	\$ 2,112	\$ 2,112	\$ 2,692	\$ 2,692	\$ 2,830	\$ 2,830	\$ 2,942
York	\$ 1,140	\$ 1,236	\$ 1,712	\$ 2,108	\$ 2,736	\$ 2,886	\$ 3,036	\$ 3,124	\$ 3,124	\$ 3,244
System Average	1,155	1,290	1,733	2,129	2,537	2,708	2,827	2,956	3,045	3,162

Two-Year Regional Campuses of USC

In-State										
USC - Lancaster	\$ 2,100	\$ 2,200	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264
USC - Salkehatchie	\$ 2,100	\$ 2,200	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264
USC - Sumter	\$ 2,100	\$ 2,200	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264
USC - Union	\$ 2,100	\$ 2,200	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264

Source: South Carolina Commission on Higher Education

	<i>Academic Year Beginning in Fall</i>								
	2000	2001	2002	2003	2004	2005	2006*	2007	2008
Admissions - Freshman									
Applications	NA	NA	5,942	4,834	4,922	4,338	6,251	6,793	7,987
Applications accepted	3,008	3,271	4,504	3,816	3,670	3,769	5,647	6,278	7,442
New admits registered	2,383	2,538	2,597	2,976	3,065	2,864	3,984	4,440	5,030
Accepted as a percentage of applications	NA	NA	75.8%	78.9%	74.6%	86.9%	90.3%	92.4%	93.2%
Registered as a percentage of accepted	79.2%	77.6%	57.7%	78.0%	83.5%	76.0%	70.6%	70.7%	67.6%



**Fiscal Year 2006 figures are revised from previous year's CAFR*

Notes :

*Tri-County Technical College has an open enrollment policy.
 All figures are unduplicated unless otherwise stated.*

Tri-County Technical College
Opening Fall Enrollment Demographics and Degree Statistics
Last Ten Fiscal Years

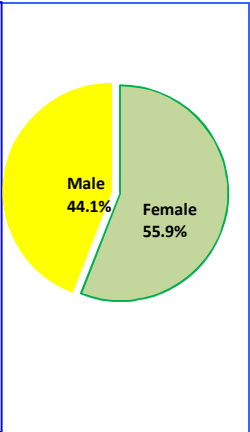
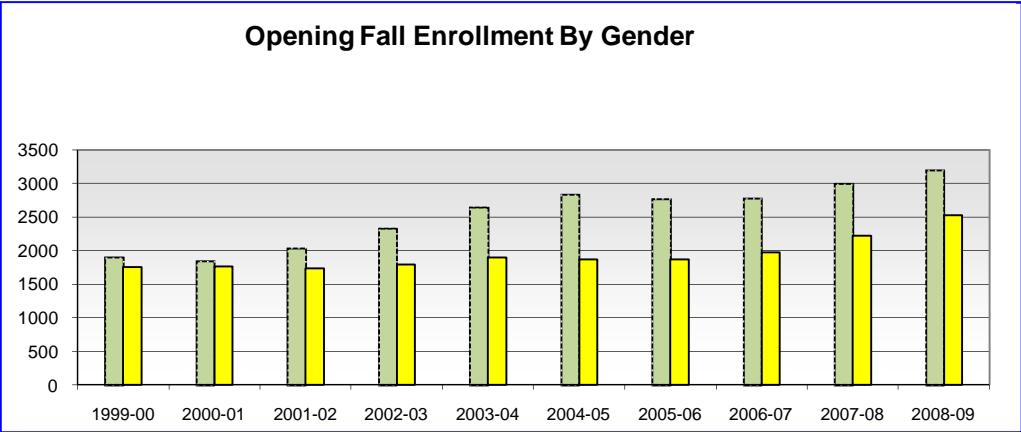
Schedule 7

<u>GENDER</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
(Term)	(99-1)	(00-1)	(01-1)	(02-1)	(03-1)	(04-1)	(05-1)	(06-1)	(07-1)	(08-1)
Female	1,904	1,849	2,036	2,333	2,646	2,838	2,775	2,780	2,997	3,204
Male	1,750	1,763	1,737	1,792	1,902	1,871	1,870	1,973	2,226	2,526
Total	3,654	3,612	3,773	4,125	4,548	4,709	4,645	4,753	5,223	5,730
<u>RACE</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Minority	391	435	465	572	715	751	715	679	860	1,006
White	3,107	3,041	3,161	3,388	3,661	3,775	3,738	3,844	4,238	4,605
Other	156	136	147	165	172	183	192	230	125	119
Total	3,654	3,612	3,773	4,125	4,548	4,709	4,645	4,753	5,223	5,730
<u>COUNTY</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Anderson	1,499	1,570	1,629	1,785	2,122	2,162	2,066	1,821	1,975	2,164
Oconee	982	893	912	965	1,006	991	994	973	919	1006
Pickens	824	751	812	975	1,003	1018	1035	996	1092	1143
Other	349	398	420	400	417	538	550	963	1237	1417
Total	3,654	3,612	3,773	4,125	4,548	4,709	4,645	4,753	5,223	5,730
<u>HEADCOUNT</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Full-time	1,670	1,703	1,797	2,140	2,278	2,435	2,473	2,576	2,783	3,316
Part-time	1,984	1,909	1,976	1,985	2,270	2,274	2,172	2,177	2,440	2,414
Total	3,654	3,612	3,773	4,125	4,548	4,709	4,645	4,753	5,223	5,730
<u>FTEs</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
	2,344.6	2,328.7	2,429.1	2,765.6	3,048.0	3175.1	3147.1	3293.3	3579	4086
<u>RATIO FTE/HC</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
	0.64	0.64	0.64	0.67	0.67	0.67	0.68	0.69	0.69	0.71
<u>AVERAGE CREDITS</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
	9.6	9.7	9.7	10.1	10.1	10.1	10.2	10.4	10.3	10.7
<u>AVERAGE AGE</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
	25.0	24.8	24.7	25.3	25.5	25.4	25.3	24.7	24.5	24.4
<u>DEGREES AWARDED</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09*</u>
Associate	390	385	403	430	486	470	460	414	511	485
Diploma	81	86	88	219	211	212	133	148	197	191
Certificate	166	148	183	105	120	119	175	175	161	173
Total Awards Granted	637	619	674	754	817	801	768	737	869	849

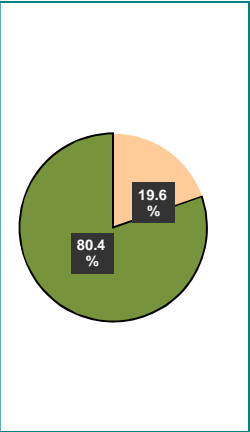
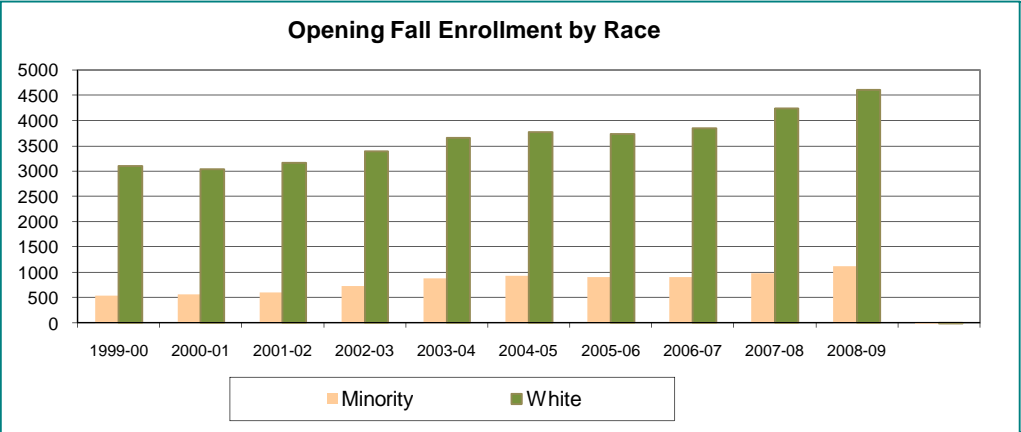
Source: TCTC website

*Preliminary

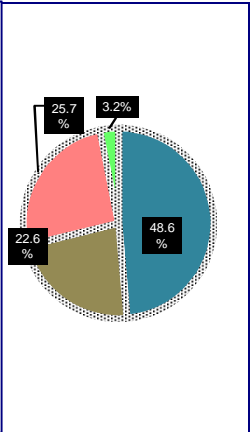
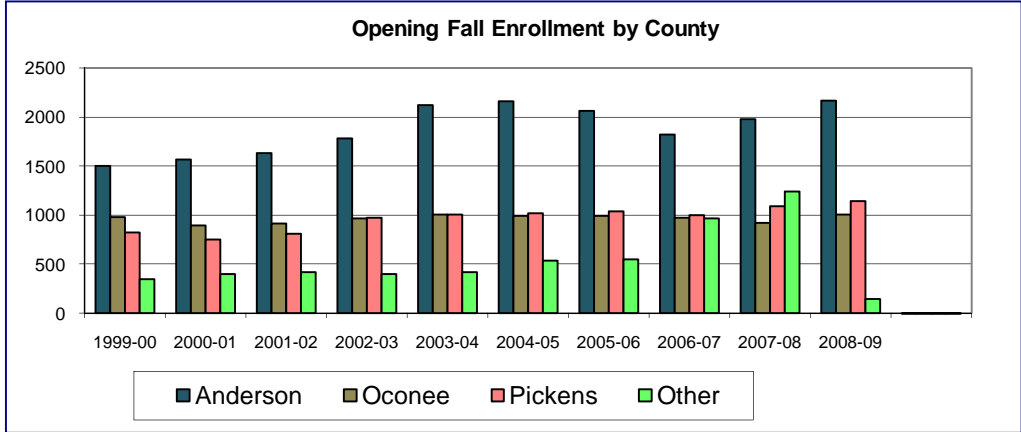
2008-09



2008-09



2008-09



Continuing Education Programs:

Business Center
 Community Interest
 Enterprise Development
 Health Education
 Licensing
 World Class Training Center

Continuing Education Contact Hours

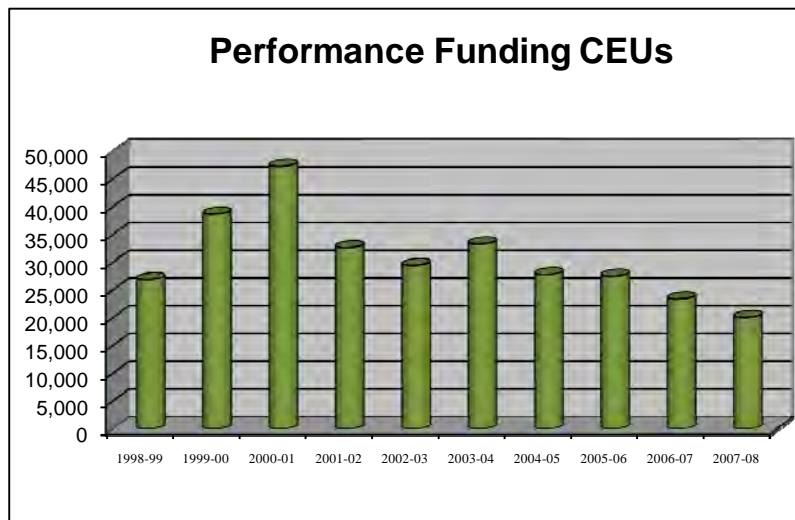
Audited Year	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Contact Hours	268,376.5	386,422.0	472,341.5	325,909.5	294,012.0	332,449.5	277,456.5	274,448.8	233,616.0	200,268.0

Continuing Education Headcount (Unduplicated)

Fiscal Year-unaudited	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Headcount	11,282	12,483	12,181	10,335	9,289	12,021	10,001	8,947	7,658	5,787

Continuing Education Performance Funding

Academic Year	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
Performance Funding CEUs	26,838	38,642	47,234	32,591	29,401	33,245	27,746	27,449	23,361	20,027



Source: SBTCE Factbook, Rick Pace (CE evaluation coordinator SBTCE)

Tri-County Technical College
Schedule of Ratios of Outstanding Debt,
Last Ten Fiscal Years

Schedule 9

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General institution bonds	\$ 5,145,000	\$ 4,690,000	\$ 4,205,000	\$ 3,695,000	\$ 3,160,000	\$ 2,595,000	\$ 1,995,000	\$ 1,365,000	\$ 700,000	\$ -
Capital lease			\$ -	\$ -	\$ -	\$ 184,497	\$ 209,545	\$ 7,876,571	\$ 7,733,188	\$ 7,343,021
Total outstanding debt	<u>\$ 5,145,000</u>	<u>\$ 4,690,000</u>	<u>\$ 4,205,000</u>	<u>\$ 3,695,000</u>	<u>\$ 3,160,000</u>	<u>\$ 2,779,497</u>	<u>\$ 2,204,545</u>	<u>\$ 9,241,571</u>	<u>\$ 8,433,188</u>	<u>\$ 7,343,021</u>
Full-time equivalent students-annual										
Credit	2,591	2,657	2,848	3,223	3,507	3,562	3,533	3,797	4,057	4,666
Continuing Education	684	836	577	520	588	490	485	413	354	NA
Total enrollment	<u>3,275</u>	<u>3,493</u>	<u>3,425</u>	<u>3,743</u>	<u>4,095</u>	<u>4,052</u>	<u>4,018</u>	<u>4,210</u>	<u>4,411</u>	<u>4,666</u>
Outstanding debt per student FTE	\$ 1,571	\$ 1,343	\$ 1,228	\$ 987	\$ 772	\$ 686	\$ 549	\$ 2,195	\$ 1,912	\$ 1,574

Source: Tri-County Technical College Comprehensive Annual Financial Reports

Formula Computation Allocation Worksheet provided by the System Office for years presented

Continuing Education contact hours converted to full-time equivalent enrollment(contact hrs x .001769)

Tri-County Technical College
Schedule of Bond Coverage
Last Ten Fiscal Years

Schedule 10

Institution Bonds

Fiscal Year Ended June 30,	Budgeted Capital Fees	Debt Service Requirements				Coverage Ratio
		Total Revenue Available for Debt Service	Principal	Interest	Total	
2009	\$ 1,333,127	\$ 1,333,127	\$ 700,000	\$ 35,000	\$ 735,000	1.81
2008	\$ 1,078,225	\$ 1,078,225	\$ 665,000	\$ 68,250	\$ 733,250	1.47
2007	\$ 1,042,000	\$ 1,042,000	\$ 630,000	\$ 99,750	\$ 729,750	1.43
2006	\$ 1,042,373	\$ 1,042,373	\$ 600,000	\$ 129,750	\$ 729,750	1.43
2005	\$ 1,041,314	\$ 1,041,314	\$ 565,000	\$ 158,000	\$ 723,000	1.44
2004	\$ 1,075,694	\$ 1,075,694	\$ 535,000	\$ 184,750	\$ 719,750	1.49
2003	\$ 1,216,040	\$ 1,216,040	\$ 510,000	\$ 210,250	\$ 720,250	1.69
2002	\$ 1,074,758	\$ 1,074,758	\$ 485,000	\$ 234,500	\$ 719,500	1.49
2001	\$ 1,038,191	\$ 1,038,191	\$ 455,000	\$ 257,250	\$ 712,250	1.46
2000	\$ 1,222,960	\$ 1,222,960	\$ 435,000	\$ 282,263	\$ 717,263	1.71

Source: GAAPS reports and TCTC financial statements

Tri-County Technical College
Economic Indicators for the College Service Area
Most Recent Data Available (Calendar Year)

Schedule 11

Per Capita Personal Income

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003*</u>	<u>2004*</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Anderson	\$22,930	\$23,981	\$24,861	\$24,983	\$25,702	\$25,946	\$26,968	\$27,960	\$29,084	NA
Oconee	\$24,104	\$24,783	\$25,065	\$25,209	\$25,935	\$26,201	\$28,561	\$29,720	\$31,675	NA
Pickens	\$20,816	\$21,176	\$21,838	\$22,486	\$23,133	\$23,593	\$24,572	\$25,590	\$26,624	NA
South Carolina	\$23,545	\$24,425	\$24,981	\$25,364	\$25,873	\$27,069	\$28,292	\$30,041	\$31,103	31,884

*2003 figures are an estimate per BEA

*2004 figures from SC Information Letter #05-14 May 4, 2005

Population of Service Area

(estimates)	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Anderson	162,793	165,740	168,985	170,578	167,725	173,550	175,514	177,963	179,981	182,825
Oconee	65,081	66,215	67,407	67,918	67,841	69,057	69,577	70,567	70,753	71,274
Pickens	108,126	110,757	112,112	113,097	112,304	112,475	113,575	114,446	116,003	116,915

Labor Market-
Unemployment Trends

<u>(Annual)</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Anderson	3.1%	2.6%	4.9%	6.4%	6.6%	7.1%	7.2%	6.8%	6.0%	6.9%
Oconee	4.1%	3.8%	5.5%	7.6%	8.3%	7.5%	8.3%	9.0%	7.2%	7.5%
Pickens	3.4%	2.5%	4.3%	5.8%	6.1%	5.1%	7.3%	6.2%	5.3%	6.1%
South Carolina	4.5%	3.9%	4.8%	6.0%	6.8%	6.0%	6.5%	6.5%	5.9%	6.9%
United States	4.2%	4.0%	4.8%	5.8%	6.0%	5.0%	4.8%	4.6%	4.6%	5.8%

Announced Job Creation

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Anderson	2,029	765	392	1,026	250	720	760	132	452	26
Oconee	254	335	75	170	297	63	89	170	113	71
Pickens	307	280	217	572	35	560	NA	550	335	235

Sources: 1999 Anderson County Profile; 1999 Oconee County Profile;
1999 Pickens County Profile; SCES.ORG website, Bureau of Economic Analysis website
SCCommerce.com website 2003-2008 Gavin Chittick SC Commerce gchittick@commerce.state.sc.us for job
creations
www.upstatealliance.com
Bureau of Labor Statistics
www.scec.org/lmi spotlight on Anderson, Oconee, Pickens

County		
Anderson	Oconee	Pickens
Anderson County	Baker Concrete Construction Inc	Alice Manufacturing Company Inc
Anderson County School District #1	City of Seneca	Aramark Campus Inc
Anderson County School District #2	Clemson Sports Medicine & Rehab	Bi-Lo Inc
Anderson County School District #3	Duke Energy Corporation	Cannon Memorial Hospital Inc
Anderson County School District #4	Engelhard Corporation	City of Clemson
Anderson University	Ingles Markets Inc	Clemson University
AnMed Pharmacy	Itron Corporation	Confluence Holdings Corp
Bi-Lo Inc	Johnson Controls Battery Group Inc	Contract Enviornmental Services
City of Anderson	KAFCO Inc	Cornell Dubilier Marketing Inc
District Office/Administration	Kennametal Inc	Ingles Markets Inc
Electrolux Home Products Inc	Lift Technologies Inc	Milliken & Company
Glen Raven Custom Fabrics LLC	Oconee County	Pacesetter Inc
Michelin Tire Company	Oconee County School District	Palmetto Health Alliance Inc
One World Technologies Inc	Oconee Medical Center	Pickens County
Plastic Omnium Auto Exteriors LLC	Sandvik Inc	Pickens County Schools
Robert Bosch Corporaton	Square D Company	Sauer Danfoss US Company
SC Department of Mental Health	The Kendall Company LP	Shaw Industries Group Inc
Tri-County Technical College	The Torrington Company	Southern Wesleyn University
Walgreen Co	US Engine Valve Company	The Reliable Automatic Sprinkler Co
Wal-Mart Associates Inc	Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

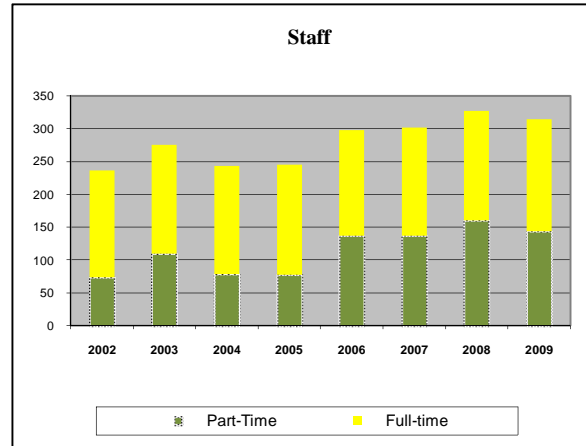
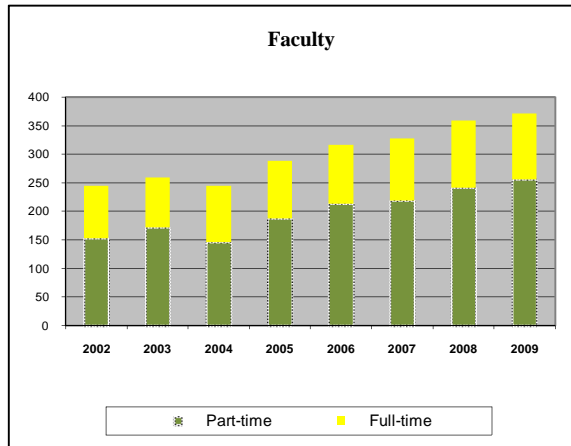
*Note: Due to confidentiality issues, the number of employees for each company is not available.
The companies are listed in alphabetical order.*

Source: SC Employment Security Commission website

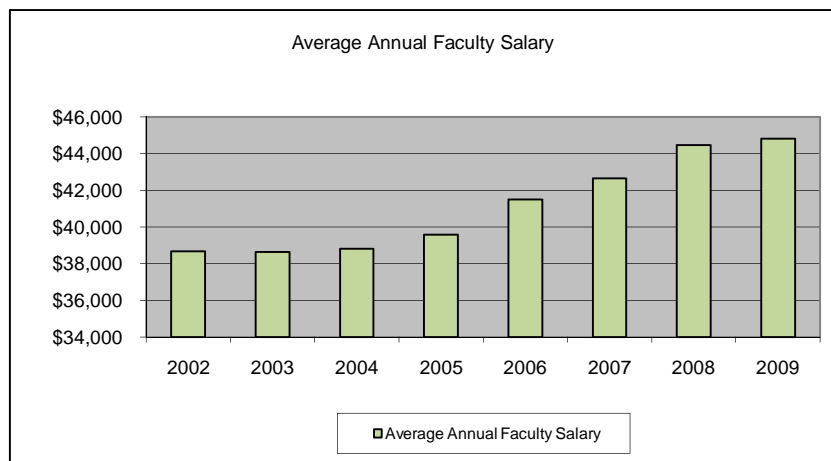
Tri-County Technical College
Faculty and Staff Statistics
Most Recent Data Available

Schedule 13

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Faculty								
Part-time	153	172	146	188	213	219	241	256
Full-time	92	87	99	100	104	109	118	115
Staff								
Part-Time	74	110	79	78	137	137	160	144
Full-time	162	165	164	167	161	165	167	170
Total Employees								
Part-time	227	282	225	266	350	356	401	400
Full-time	254	252	263	267	265	274	285	285
	481	534	488	533	615	630	686	685



	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Average Annual Faculty Salary	\$ 38,671	\$ 38,634	\$ 38,827	\$ 39,587	\$ 41,512	\$ 42,637	\$ 44,450	\$ 44,801



NOTE: This is a revised spreadsheet. Disregard figures in 2006 CAFR.

Faculty/Staff statistics are as of November each fiscal year.

College workstudy not included.

Source: Integrated Postsecondary Education Data System (IPEDS) data for years indicated

(From Human Resource Office)

Tri-County Technical College
Space Utilization
Most Recent Data Available

Schedule 14

	For Fiscal Years ended						
	2002	2003	2004	2005	2006*	2007**	2008**
Instruction							
Assignable Square Feet	188,047	187,993	189,127	189,247	156,645	171,538	171,538
Percentage of Total	67.01%	67.54%	67.67%	67.68%	68.26%	70.19%	70.19%
Public Service							
Assignable Square Feet	4,586	4,586	4,586	4,586	NA	NA	NA
Percentage of Total	1.63%	1.65%	1.64%	1.64%			
Academic Support							
Assignable Square Feet	29,648	27,434	27,434	27,434	23,431	23,431	23,431
Percentage of Total	10.57%	9.86%	9.82%	9.81%	10.21%	9.59%	9.59%
Student Services							
Assignable Square Feet	24,886	24,886	24,886	24,886	16,184	16,184	16,184
Percentage of Total	8.87%	8.94%	8.90%	8.90%	7.05%	6.62%	6.62%
Institutional Support							
Assignable Square Feet	16,702	16,702	16,702	16,702	16,179	16,179	16,179
Percentage of Total	5.95%	6.00%	5.98%	5.97%	7.05%	6.62%	6.62%
Plant Operations and Maintenance							
Assignable Square Feet	11,820	11,820	11,820	11,820	9,946	9,946	9,946
Percentage of Total	4.21%	4.25%	4.23%	4.23%	4.33%	4.07%	4.07%
Auxiliary Enterprises							
Assignable Square Feet	1,556	1,556	1,556	1,556	5,926	5,926	5,926
Percentage of Total	0.55%	0.56%	0.56%	0.56%	2.58%	2.42%	2.42%
Unassigned							
Assignable Square Feet	3,378	3,378	3,378	3,378	1,176	1,176	1,176
Percentage of Total	1.20%	1.21%	1.21%	1.21%	0.51%	0.48%	0.48%
Total Assignable Areas							
Assignable Square Feet	280,623	278,355	279,489	279,609	229,487	244,380	244,380
Percentage of Total	100%	100%	100%	100%	100%	100%	100%
Parking Facilities	2002	2003	2004	2005	2006	2007	2008
Parking spaces available	1,912	1,912	1,968	2,046	2,046	2,346	2,346
Number of employees	481	534	488	533	615	630	686
Number of students	3,773	4,125	4,548	4,709	4,645	4,753	5,223

NOTE: Common areas(such as, hallways, foyers, restrooms, closets, mechanical rooms are not included in totals.

*Utilization was reassessed.

**Includes Anderson Campus

Source: South Carolina Commission on Higher Education

Tri-County Technical College
Schedule of Current Unrestricted Expenses
Per Full Time Equivalent Unit (FTE)
Last Ten Fiscal Years

Schedule 15

Current Unrestricted										
Educational and General:	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Instruction	\$ 8,762,254	\$ 9,549,573	\$ 9,908,152	\$ 10,263,104	\$ 10,658,402	\$ 11,884,831	\$ 12,450,098	\$ 12,974,864	\$ 14,209,409	\$ 14,507,007
Academic Support	\$ 1,611,123	\$ 1,644,297	\$ 1,821,006	\$ 1,829,831	\$ 1,752,496	\$ 1,624,286	\$ 2,148,087	\$ 2,449,021	\$ 2,658,106	\$ 2,712,075
Student Support	\$ 1,681,777	\$ 2,070,876	\$ 2,191,823	\$ 2,210,481	\$ 2,039,172	\$ 2,161,330	\$ 2,142,376	\$ 2,436,119	\$ 2,305,952	\$ 2,488,614
Operation of Maint/Plant	\$ 1,750,577	\$ 1,848,436	\$ 1,887,409	\$ 1,999,221	\$ 2,032,111	\$ 2,201,585	\$ 2,194,232	\$ 2,419,312	\$ 2,543,108	\$ 3,310,369
Administrative and General	\$ 1,860,837	\$ 2,004,288	\$ 2,119,094	\$ 1,889,302	\$ 2,269,719	\$ 2,439,769	\$ 2,441,664	\$ 2,582,223	\$ 2,735,227	\$ 3,161,215
Total E & G	\$ 15,666,568	\$ 17,117,470	\$ 17,927,484	\$ 18,191,939	\$ 18,751,900	\$ 20,311,801	\$ 21,376,457	\$ 22,861,539	\$ 24,451,802	\$ 26,179,280
 Annual Credit Student FTEs	 2,591	 2,657	 2,848	 3,223	 3,507	 3,562	 3,533	 3,797	 4,057	 4,666
Annual Non-Credit Student FTEs	684	836	577	520	588	491	485	413	354	NA
 Total FTEs	 3,275	 3,493	 3,425	 3,743	 4,095	 4,053	 4,018	 4,210	 4,411	 4,666
 Expense per Student FTE (total E&G/annual student FTEs)	 \$ 4,784	 \$ 4,901	 \$ 5,234	 \$ 4,860	 \$ 4,579	 \$ 5,012	 \$ 5,320	 \$ 5,430	 \$ 5,543	

Note: Auxiliary Enterprise, Restricted and Unexpended Plant Funds are NOT included in this calculation

Sources: Audited Annual Reports on Financial Statements for years presented;
Non-credit FTEs calculation: Multiply Audited Fundable Contact Hours by coversion factor of .001769
Rick Pace, SBTCE

College Accreditation

Tri-County Technical College is Accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the Associate Degree

Program Accreditations and Approvals

The Associate Degree Nursing program is accredited by the Board of Nursing for South Carolina and the National League for Nursing Accrediting Commission

The Accounting, Management and Office Svstems Technology programs are accredited by the Association of Collegiate Business Schools and Programs

The Expanded Duty Dental Assisting diploma program is accredited by the American Dental Association Commission on Dental Accreditation

The Early Childhood Development degree program is accredited by the National Association for the Education of Young Children

The Electronic Engineering Technology, Engineering Graphics Technology and General Engineering Technology degree programs are accredited by the Technology Accreditation Commission of the Accreditation Board for Engineering and Technology

The Medical Assisting degree program is accredited by the Commission on Accreditation of Allied Health Education Programs in concert with the American Association of Medical Assistants' Endowment.

The Medical Laboratory Technology degree program is accredited by the National Accreditation Agency for Clinical Laboratory Science

The Practical Nursing program is accredited by the National League for Nursing Accrediting Commission and State Board of Nursing for South Carolina

The Respiratory Care program is accredited by the Commission on Accreditation for Respiratory Care.

The Surgical Technology diploma program is accredited by the Commission on Accreditation of Allied Health Education Programs

The Veterinary Technology degree programis accredited by the American Veterinary Medical Association.

Source: VP for Academic Affairs

Policy on Discrimination

It is the policy of Tri-County Technical College to recruit, hire, train and promote employees and to provide educational opportunities to students without regard to race, color, religion, sex, disability, veteran's status, age or national origin, in compliance with the provisions of the Civil Rights Act of 1964, Title VII of the Equal Employment Opportunity Act of 1972, Title IX of the Education Amendments of 1972, the Rehabilitation Act of 1973, Executive Orders 11246 and 11375, Revised Order 4 of the Department of Labor, the South Carolina Human Affairs Law of 1972, and the Format Memorandum issued by HEW in August of 1975, and Americans with Disabilities Act of 1990.

TRI-COUNTY TECHNICAL COLLEGE

**Independent Auditors' Reports Required by
Government Auditing Standards and the Single Audit Act**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009**

This page intentionally left blank

TRI-COUNTY TECHNICAL COLLEGE

Table of Contents

	<u>Page Number</u>
Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133	1-2
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	3-4
Schedule Of Expenditures Of Federal Awards	5-7
Notes To Schedule Of Expenditures Of Federal Awards	8
Summary Schedule Of Prior Audit Findings	9
Schedule Of Findings And Questioned Costs	10

Independent Auditors' Report On Compliance With Requirements
Applicable To Each Major Program And Internal Control
Over Compliance In Accordance With OMB Circular A-133

Tri-County Technical College
Pendleton, South Carolina

Compliance

We have audited the compliance of Tri-County Technical College, a component unit of the South Carolina Technical and Comprehensive Education Board, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Tri-County Technical College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Tri-County Technical College's management. Our responsibility is to express an opinion on Tri-County Technical College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tri-County Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Tri-County Technical College's compliance with those requirements.

In our opinion Tri-County Technical College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Tri-County Technical College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Tri-County Technical College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Technical College's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Tri-County Technical College's response to the prior findings identified in our audit is described in the accompanying schedule of prior audit findings and questioned costs. We did not audit Tri-County Technical College's response and, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Tri-County Technical College as of and for the year ended June 30, 2009, and have issued our report thereon dated September 10, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, others within the organization and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in blue ink, appearing to read "C. Brantley".

September 10, 2009

Independent Auditors' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Based On An Audit Of Financial Statements Performed
In Accordance With Government Auditing Standards

Tri-County Technical College
Pendleton, South Carolina

We have audited the financial statements of Tri-County Technical College, a component unit of the South Carolina Technical and Comprehensive Education Board, as of and for the year ended June 30, 2009, and have issued our report thereon dated September 10, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Tri-County Technical College Foundation as described in our report on Tri-County Technical College's report. The Tri-County Technical College Foundation's financial statements were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tri-County Technical College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tri-County Technical College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tri-County Technical College's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Tri-County Technical College's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Tri-County Technical College's financial statements that is more than inconsequential will not be prevented or detected by the Tri-County Technical College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Tri-County Technical College's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Technical College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in blue ink, appearing to read "C. Brantley & Co. PA". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

September 10, 2009

TRI-COUNTY TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2009

FEDERAL GRANTOR					Revenues			
Pass-Through Entity	Fund	CFDA	Grant	Fund Balance		Refunds	Federal	Fund Balance
Program Title	Number	Number	Period	06/30/08	Federal	To Grantor	Expenditures	6/30/09
U.S. DEPARTMENT OF EDUCATION								
Student Financial Aid								
Pell	22003	84.063	2007-08	-	204		204	0
Pell	22004	84.063	2008-09	-	6,979,140		6,979,140	0
Federal Work Study	22016	84.033	2007-08	-	4,144		4,144	0
Federal Work Study	22018	84.033	2008-09	-	129,132		129,132	0
Federal SEOG	22019	84.007	2008-09	-	158,197		158,197	0
Federal Academic Competitiveness	22032	84.375	2008-09	-	84,175		84,175	0
Federal Stafford Loan Program	-	84.032	2008-09	-	3,011,574		3,011,574	0
Student Support Services	22029	84.042A	2007-08	-	47,625		47,625	0
Student Support Services	22033	84.042A	2008-09	-	251,474		251,474	0
Talent Search	22030	84.044A	2007-08	-	99,399		99,399	0
Talent Search	22034	84.044A	2008-09	-	270,527		270,527	0
Upward Bound	22031	84.047A	2007-08	-	199,576		199,576	0
Upward Bound	22035	84.047A	2008-09	-	200,857		200,857	0
Pass-Through State Department of Education								
Vocational Education-Basic Grants to State								
Perkins IV-Tutors Business 09VA414	22653	84.048A	2008-09	-	3,596		3,596	0
Perkins IV-Tutors I&ET 09VA414	22654	84.048A	2008-09	-	3,870		3,870	0
Perkins IV-Tutors Math 09VA414	22655	84.048A	2008-09	-	12,955		12,955	0
Perkins IV-Placement Coord 09VA414	22657	84.048A	2008-09	-	37,243		37,243	0
Perkins IV-WIDS Tech Train 09VA414	22658	84.048A	2008-09	-	6,360		6,360	0
Perkins IV-WIDS Prof Dev 09VA414	22659	84.048A	2008-09	-	5,295		5,295	0
Perkins IV-Instit Research 09VA414	22660	84.048A	2008-09	-	8,960		8,960	0
Perkins IV-Special Pop 09VA414	22662	84.048A	2008-09	-	31,432		31,432	0
Perkins IV-Acad Resource 09VA414	22663	84.048A	2008-09	-	33,368		33,368	0
Perkins IV-Acad Resource 09VA414	22664	84.048A	2008-09	-	35,378		35,378	0
Perkins IV-Admissions Coun 09VA414	22665	84.048A	2008-09	-	21,873		21,873	0
Perkins IV-Career Coun 09VA414	22666	84.048A	2008-09	-	46,628		46,628	0
Perkins IV-Equip Vet Tech 09VA414	22668	84.048A	2008-09	-	32,112		32,112	0

TRI-COUNTY TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2009

FEDERAL GRANTOR					Revenues		Federal Expenditures	Fund Balance 6/30/09
Pass-Through Entity Program Title	Fund Number	CFDA Number	Grant Period	Fund Balance 06/30/08	Federal	Refunds To Grantor		
Perkins IV-Indirect Cost 09VA414	22669	84.048A	2008-09	-	12,937		12,937	0
Perkins IV-Integ Lrng Comm 09VA414	22671	84.048A	2008-09	-	9,980		9,980	0
Perkins IV-Paralegal Prog 09VA414	22672	84.048A	2008-09	-	1,800		1,800	0
Fund for Improvement of Postsecondary Education								
Building Career Pathways	22321	84.116	2008-09		19,689		19,689	0
Total U.S. Department of Education					11,759,497		11,759,497	0
DEPARTMENT OF HEALTH & HUMAN SERVICES								
T.E.A.C.H	22902	93.575	2008-09	-	37,589		37,589	0
Total Dept of Health & Human Services					37,589		37,589	0
U.S. DEPARTMENT OF LABOR								
Pass-Through S.C. Office of the Governor								
WIA Adult Education	22108	17.258	2008-09	-	2,053,997		2,053,997	0
WIA Adult Education-Welding Program	22213	17.258	2008-09	-	10,899		10,899	0
EMT Apprenticeship	22320	17.258	2008-09	-	10,240		10,240	0
WIA Youth Services	22303	17.259	2008-09	-	573,838		573,838	0
WIA Youth Career Exploration Camps	22309	17.259	2008-09	-	12,864		12,864	0
WIA Dislocated Worker	22114	17.260	2008-09	-	808,603		808,603	0
Total U.S. Department of Labor					3,470,440		3,470,440	0

TRI-COUNTY TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2009

FEDERAL GRANTOR					Revenues		Federal Expenditures	Fund Balance 6/30/09
Pass-Through Entity Program Title	Fund Number	CFDA Number	Grant Period	Fund Balance 06/30/08	Federal	Refunds To Grantor		
APPALACHIAN REGIONAL COMMISSION								
ARC Gateway 07-09	22401	23.002	2007-09	-	9,597		9,597	0
ARC Gateway 09-11	22404	23.002	2009-11	-	54,640		54,640	0
ARC Infrastructure	22403	23.002	2008-09	-	40,135		40,135	0
Total Appalachian Regional Commission					104,372		104,372	0
TOTAL FEDERAL AWARDS					\$15,371,899		\$15,371,899	\$0

TRI-COUNTY TECHNICAL COLLEGE
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards present the activity of all federal awards programs of Tri-County Technical College. The reporting entity is defined in Note 1 of the college's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the College's financial statements.

3. FEDERAL LOAN PROGRAM

The College began participating in the Stafford/Plus Loan Program I July 2007. The total loans for fiscal year ending June 30, 2009 are:

Subsidized Stafford Loans	\$ 1,735,331
Unsubsidized Stafford Loans	1,128,020
PLUS Loans	<u>148,223</u>
Total Stafford/Plus Loan Program	<u><u>\$ 3,011,574</u></u>



Follow-up to 2008 Financial Aid Audit Finding
June 30, 2008

RC 07-01: Verification (Repeat Finding)

The financial aid department has been re-organized to ensure a more consistent, across the board, effort to complete required verifications. A 100% audit of all verifications was completed for the 08-09 academic year.

SD 08-01: Satisfactory Academic Progress

A consultant was hired by the College to help develop the SAP rules for the College's administrative software system. An old code was inadvertently retained in the system and used. The code has been eliminated from the system. This will stop the possibility of an improper update taking place.

SD 08-02: Return to Title IV (R2T4)

The financial aid department has stressed to the college the importance of recording an accurate last date of attendance for each student on the Banner system. The financial aid department has seen some improvement in the recording of accurate last date of attendance and will continue to stress to the department heads the importance of complying with the procedures.

TRI-COUNTY TECHNICAL COLLEGE
Schedule of Findings and Questioned Costs
June 30, 2009

Summary of Auditors' Results:

GAGAS

An unqualified opinion was issued on Tri-County Technical College's financial statements dated September 10, 2009.

There were no significant deficiencies or material weaknesses. No instances of material noncompliance were disclosed by the audit of the financial statements.

A-133

An unqualified opinion was also issued on compliance of major programs at Tri-County Technical College dated September 10, 2009. No significant deficiencies in the internal control over major programs were found. Our audit disclosed no findings that are required to be reported under OMB Circular A-133.

The major programs at Tri-County Technical College are the Student Financial Aid Cluster and Vocational Education-Basic Grants to State CFDA # 84.048A from the U.S. Department of Education. Type A or major programs are defined as those that expended \$461,157 which is 3% of total Federal Awards expended at the College. Tri-County Technical College's total federal awards expended for the year ended June 30, 2009 were between \$10 million and \$100 million.

Tri-County Technical College is not considered to be a low risk auditee by the criteria listed in OMB Circular A-133.

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There were no findings or questioned costs related to federal awards.

<u>Financial Aid Cluster</u>	<u>Federal CFDA Number</u>
U.S. Department of Education	
PELL	84.063
Federal Work Study	84.033
FSEOG	84.007
Federal Academic Compet.	84.375
Federal Stafford Loan program	84.032

This page intentionally left blank.

Independent Accountants' Report on State Lottery Tuition Assistance

Tri-County Technical College

We have examined Tri-County Technical College's compliance with the administrative procedures and internal controls related to the State Lottery Tuition Assistance Program in order to determine that the College administered the program in accordance with State law and Policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education for the year ended June 30, 2009. Management is responsible for Tri-County Technical College's compliance with those requirements. Our responsibility is to express an opinion on Tri-County Technical College's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Tri-County Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Tri-County Technical College's compliance with specified requirements.

The method of sample selection used was haphazard. Seven students were selected for testing.

We examined the individual files maintained in the financial aid office of each applicant selected to determine that they contained all necessary information and documentation to determine eligibility. We also determined that any lottery tuition assistance awarded did not exceed the remaining cost of tuition and academic fees for the applicable semester after first applying Pell grants, FSEOG, SC Need-Based grants and other applicable grants.

For students deemed ineligible for the Lottery Tuition Assistance Program, we determined that the students were granted the right to appeal the decision by submitting a written request to the institution's Director of Financial Aid, and determined that the students' requests were handled in accordance with the institution's financial aid procedures.

We traced amounts to the student account detail to determine that the awarded amounts were identifiably credited to the student's account.

The result of our tests disclosed no instances of noncompliance.

In our opinion the State Lottery Tuition Assistance Program has been administered in accordance with State law and Policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

This report is intended solely for the use of management and of the Tri-County Technical College Area Commission and management of the State Board for Technical and Comprehensive Education and should not be used by anyone other than these specified parties.



September 10, 2009

This page intentionally left blank.